

“ *An investment in knowledge pays the best interest* ”

Benjamin Franklin

The Economics of Financial Markets

Understanding the economic principles underpinning financial markets, financial calculations, and financial instruments

OVERVIEW

Banks are fundamental to the health of any economy. Through taking deposits, providing loans, and facilitating payments, they enable trade, investment and growth. But banks and other financial institutions do not operate in isolation; they are a part of the larger financial markets, where buyers and sellers trade financial assets such as equities, bonds, currencies, and derivatives. Financial markets can operate within national boundaries, but increasingly they are globalised and extend beyond borders.

To fully appreciate the workings of the financial markets, it is important to understand the underlying principles of economics, and financial calculations, which drive the operation of those markets. This three-day intensive training course starts with a refresher on economics and financial calculations, before going into more detail on financial markets and the workings of the main asset classes.

WHO SHOULD ATTEND?

The course is aimed at junior-level and mid-level professionals in financial institutions, across all functions, who are seeking to develop a deeper understanding of how financial markets operate, and how they fit into the broader economy. Participants should ideally have three years of experience working in financial services, but entry-level participants will also find it of great value. The course will cover, amongst other topics, the following key concepts and principles:

- *Time value of money, bond pricing, yield curves, equity pricing, and interest rates*
- *Micro economics – consumers, firms, markets and their interaction, and why markets fail*
- *Macro economics – fiscal and monetary policy, currencies, impact of economics on financial markets*
- *Financial markets – types of markets, purpose, participants, role, market forces*
- *Asset classes and instruments*
- *Risk and return*
- *Portfolio theory*
- *Derivatives*
- *Alternative asset classes*

sharing knowledge, developing skills

OUTLINE

OBJECTIVES

Participants will come away from this workshop with:

- Confidence in their understanding of financial markets and the role of their institution in the broader economy;
- A sound basic understanding of micro and macro economics, and how they influence, and are influenced by, financial markets;
- An understanding of the different types of assets and the associated basic pricing and return calculations;
- Awareness of the main financial asset classes and instruments, and how they are used and traded;
- An ability to perform the most commonly used financial calculations;
- Appreciation of the basic principles of portfolio management; and
- Awareness of important current issues in financial markets.

WORKSHOP DELIVERY

- This is a three-day workshop totalling **21 hours of delivery time**.
- It comprises **6 tutorial modules** of approximately 2 hours each.
- A further **9 hours** is allocated to **group work and exercises**, facilitated by the Course Instructor.
- Participants should ideally have three years work experience in financial services, and can be drawn from all functions across a financial institution. However it is also open to entry-level participants.
- All hand-outs and instruction will be in English.
- The high-levels of participative group work and exercises limits numbers to **no more than 20 participants**.

TRAINING NEEDS ANALYSIS & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

OUTLINE

MODULE 1: FINANCIAL MATHS

- ⇒ Interest rates
- ⇒ Probability
- ⇒ Mean, median and mode
- ⇒ Confidence levels
- ⇒ Distribution, variance, and standard deviations
- ⇒ Time value of money

MODULE 2: FINANCIAL MARKETS AND ECONOMICS

- ⇒ Economic agents
- ⇒ Interaction between agents
- ⇒ Demand and supply theories
- ⇒ The informational role of financial markets
- ⇒ Timing of consumption
- ⇒ Allocation of risk
- ⇒ Separation of ownership and management
- ⇒ Corporate governance and corporate ethics

MODULE 3: MONEY AND BOND MARKETS

- ⇒ Purpose
- ⇒ Types of assets
- ⇒ Yield curves and pricing
- ⇒ Indices

MODULE 4: FX MARKETS

- ⇒ Importance of the market
- ⇒ Forwards and Swaps
- ⇒ Forward rate calculations

MODULE 5: SECURITIES MARKETS

- ⇒ Securities issuance
- ⇒ Secondary market functioning
- ⇒ Globalisation
- ⇒ Margin trading
- ⇒ Securities analysis
- ⇒ Equity valuation

MODULE 6: ALTERNATIVE ASSET CLASSES

- ⇒ Derivatives
- ⇒ Hedge funds
- ⇒ Physical assets
- ⇒ Commodities

Throughout the course there will be continuous group work and exercises, facilitated by the Course Instructor, to reinforce the learning objectives and ensure that participants achieve a practical level of competency in the topics covered.

COURSE MATERIALS

As with all GBRW Learning training courses, we also aim to provide participants with practical methodologies, models, tools, and templates that they can then use and refer to day-to-day in their workplace.

Participants in this course will receive:

- ➔ **Copy of all the course presentation materials**
- ➔ **Short descriptions of different types of markets**
- ➔ **Five Case Studies comparing and contrasting different types of assets, their benefits and challenges**
- ➔ **Examples of different types of assets**

INSTRUCTOR



Dr Natalie Schoon
Course Instructor
GBRW Learning

Natalie Schoon is a consultant in finance with experience in credit risk, treasury, and investment banking. She was the Head of Operations of a Wholesale Banknotes dealer in the Middle East and has worked on a number of Basel implementations in global banks.

More recently, Natalie has worked in Afghanistan advising on the implementation of Financial Services for Agriculture, and in the UK on stress testing and the implementation of IFRS9.

She is affiliated with the Chartered Institute for Securities and Investments for whom she edits regulatory workbooks and is involved with the Global Financial Compliance workbook.

Drawing on a wealth of professional experience, Natalie has delivered a variety of exam preparation training as well as workshops globally. She encourages delegate participation to ensure a positive and fruitful learning experience.

ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly interactive, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Trade Finance

For more information, visit our website at:

<http://learning.gbrw.com/>

DETAILS

TERMS & CONDITIONS

Total fee cost for the on-site delivery of the 3-day course as described is US\$ 11,500 (eleven thousand five hundred United States Dollars). This is EXCLUSIVE of:

- Flights (discounted business class);
- Accommodation (min. 4★) for every night required off-site;
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.
- VAT, where applicable

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course at or near our London headquarters for an all-inclusive fee of US\$ 13,800 including VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants.

A 60% deposit is payable one-month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings of the stand-alone course or other courses within the GBRW Learning programme.

Note: Terms and Conditions valid until 30th June 2016.

CONTACT AND BOOKING



For more information about this programme, or to arrange a booking, please contact:

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