

MVLCO CENTRE FOR BANKING AND FINTECH

(A division of MVL Consulting Private Limited)

Foreign Exchange Operations

MASTER FOREIGN EXCHANGE OPERATIONS

■ Level: Mid to Advanced

COURSE CONTENT

1. History of Foreign Exchange

- Barter system
- Gold standard
- Great Depression
- Bretton Woods agreement
- Fixed exchange
- Free float

2. Foreign Exchange market and its players

- FX market
- Players in the market
- Leverage

3. Exchange rate system

- Fixed exchange rate
- Floating exchange rate
- Convertible / partially convertible currencies
- Understanding market quotation
- Direct rate
- Indirect rate
- Cross currency rate
- Calculation of rates – spot / forward / cross currency

4. Trade and settlement

- Trade life cycle
- Value date
- Calculation of rate quoted to customers for spot and forward

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5. FX Products

- Forward contracts – risk, benefits, calculation, window / fixed date forward, FEDAI rules, RBI regulation, cancellation of contracts, future contract, documentation
- FX option, types, risk, benefits, examples, exercise
- Swaps, types, risk involved, benefits, examples, exercise
- Non-Deliverable Forward contracts

6. Position

- Arriving the position
- Risk in position
- Liquidity provider
- Nostro account
- Cover operation
- Limits – overnight, day, dealer wise, currency wise
- ALCO
- Position and profitability

7. Risk Areas

- Settlement risk
- Regulatory risk
- Exchange risk
- Market risk
- Leverage risk
- Country and political risk
- Counterparty risk

PROGRAM LEVEL

Mid to Advanced Level Program

CONTACT US

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