Campus / Live Online Workshop on

Analysis of Monetary and Fiscal Policies for Treasury and Market Risk

October 17 – 18, 2024

(Campus Duration: 2 days)
(Online Course Duration: 10 hours)

Workshop Directors

Dr Jiji T Mathew
Dr G Nagaraju

National Institute of Bank Management
Pune, India

Introduction

Monetary and Fiscal policies are the two principal public policy instruments used by every country to influence the pace of their general level of economic activity. The effectiveness of Monetary policy in achieving the inflation and growth objectives depends on its success in transmitting the interest rate signals from short-term policy rates to long term real interest rates in debt market, deposits and credit market. Commercial banks play a crucial role in this process, both as a dominant participant in the inter-bank market and acting as main counterparties of the central banks' market operations.

Fiscal Policy of the government that is outlined in the Union budget for FY 2024-25 in terms of Fiscal deficit, Primary deficit, Net market borrowing and Public debt will have profound implications for the treasury and risk management. RBI, on many occasions in the past, had stressed the need for sound fiscal policy-monetary policy coordination for smooth completion of market borrowing programme and to support durable economic growth. Further, orderly evolution of the Sovereign yield curve is regarded as a public good, which acts as a benchmark for pricing of private debt instruments and loans. The public debt management function and secondary market operations of RBI takes care of this objective to a large extent.

The central banks' tight monetary policy seems to have worked well as inflation is convincingly descending toward the target, albeit at slow pace. Advanced country central banks such as Swiss National Bank, Riks Bank of Sweden, Bank of Canada, European Central Bank and Bank of England has already started cutting their policy rates. Federal Reserve (FED) have signaled its first rate cut in its next FOMC meeting in this September. Bank of Japan has surprised the market with rate hikes in March and August this year and indicated more rate hikes, which led to unwinding of yen carry trade and heightened volatility in the financial markets. RBI's MPC continues to adopt a very cautious approach, while pausing the rates and continuing with the policy stance of withdrawal of accommodation.

While dismissing the possibility of a rate cut in the near future, RBI clearly indicated that a shift in stance to neutral in future is conditional on the forecasted CPI inflation staying at 4% in a durable manner. It remains concerned about the possible second round effects on inflation arising from recurring food price shocks in the economy. Meanwhile, RBI stated that it will continue to undertake active management of liquidity to align it with the policy stance, while fostering speedier transmission and anchoring of inflationary expectations. Moreover, due to geopolitical and climate related risks, market participants continue to face considerable uncertainty about the future trajectory of inflation and policy rates to be set by the RBI and other major central banks.

In the current context, it becomes extremely important for treasury and risk managers to understand the signals from monetary policy, liquidity management, market operations and public debt management operations of central banks along with the fiscal Policy of the government and assimilate its implications for the markets. Guidance provided by central banks in their policy statements and speeches contain crucial signals for future interest rates, exchange rates and liquidity, which is very useful for strategic dealing operations and investment operations. Similarly, these inputs are beneficial for more effective management of market risk in investment and trading books, in the context of renewed financial stability concerns from interest rate tightening. This workshop focuses on recent monetary Policy measures of RBI and other major global central banks, interest rate transmission, financial stability concerns, fiscal policy and Government's market borrowing programme and its implications for treasury and market risk.

Objectives

- To discuss RBI's recent monetary policy responses and Liquidity measures and analyze its signals for Money, G-sec and Foreign Exchange market.
- To analyze the monetary policy measures of various global central banks in terms of policy rates, monetary policy stance, tapering of bond purchases, balance sheet normalization and global spillovers.
- To understand the fiscal policy and its coordination with monetary policy, public debt management function, interest rate transmission and its implications for Treasury and market risk.

Workshop Content

- Monetary Policy: Formulation
  - Functioning of RBI's Monetary Policy Committee (MPC); Inflation and GDP forecasts.
  - Monetary Policy of FED, ECB, BOE & BOJ: Tapering of asset purchases; Quantitative Tightening and Balance sheet runoffs etc.
  - Financial Instability and its effects on monetary policy stance, liquidity, terminal rates; Micro and Macro prudential measures to maintain financial stability.
- RBI's Operations in Money market and G-Sec Market
  - Liquidity Management Frame work and Measuring System Liquidity
  - LAF: Fixed rate Repo, Standing Deposit Facility (SDF) and MSF.
  - Main Operations: 14-day VRR & VRRR.
  - OMOs, Operation Twist and Yield Curve Management.
  - FX Swaps-short-term
- Fiscal Policy
  - Union Budget: Fiscal Deficit, Primary Deficit, Revenue deficit and net borrowing
  - FRBM Act, Fiscal Consolidation and Public debt Sustainability.
- RBI's Public Debt Management Function
  - Market Borrowing Programme: Primary Auctions; Buybacks of Securities; Switching/ Conversion of G-Secs.
  - Cash Management Tools: CMBs, Auctioning of Cash Balances, Ways and Means Advances.
  - Fiscal-Monetary Policy Coordination.

- RBI's Operations in Forex Market
  - Buying and Selling in Spot, Forwards, Futures
  - Forex Swaps: Buy-sell and Sell-Buy
  - Exchange rate indices: REER and NEER.
- Monetary /Interest rate Transmission to Money, Bond and Credit market
  - Impact on CDs, CPs, yields, credit spreads, interest rate spread/ Liquidity Premium, deposit rates and lending rates.
  - Real and Nominal rates, inflationary expectations & Neutral Real interest rates
  - Inter-linkages between US and Indian sovereign yields and its implications.

Target Audience

- Middle and Senior level Executives from Domestic and Forex Treasury
- Risk Management officers handling Market risk
- Officers from Economic Research department

Pedagogy

Recorded and live lectures will be done by faculty members of NIBM and domain experts from RBI. Case studies will be used for illustrations explaining the impact and effect of various monetary policy on both interest rates and exchange rates. Market experts and well-known treasury analysts and dealers will also be invited to share their experiences

Modalities

Participants can either opt for online or campus mode of training.

Online Mode

The online course mode will have 10-12 hours of engagement time spread over 2 days, which would include several self-paced study materials, case studies and live interactions with faculty or guest lecturers.

Participants enrolled in the workshop will be provided with the link for accessing the learning platform of NIBM. Guidance will be provided for navigating the same.

The session schedule including the timings of the live sessions and the sequence to be followed for watching the pre-recorded sessions, will be provided before the commencement of the programme.

To view the live/recorded sessions, participants must have a stable internet connection on a desktop or laptop with WebEx / Google Chrome.

Campus Mode

Participants attending the workshop on campus will be subject to the prevailing guidelines for educational institutes as per the notifications by the government / civic authorities.

Dates

October 17 – 18, 2024

The participants are requested to report at the venue by the evening of October 16, 2024.

Venue

NIBM Campus, Kondhwe Khurd,
Pune, India

Accommodation

The workshop is fully residential. Participants will be provided well-furnished, single room AC accommodation in the Institute's hostel complex in the campus. However, they would not be permitted to bring their family members to stay in the campus. In case, any officer / executive with physical / medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements. The Institute has facilities for outdoor and indoor games, and a large walking / jogging trail for physical fitness besides a yoga centre. Participants are therefore encouraged to bring appropriate clothes / gear.

Completion / Participation Certificate

A completion / participation certificate will be given to the participant at the end of the workshop provided he / she attends the workshop for the mandated hours of engagement.

Nominations and Enquiries

Nominations are invited from both institutions and individuals from India and abroad. Executives working in banks / financial institutions / consulting firms / technology firms in the banking and financial services domain can also apply for the programme in their individual capacity.

Please address your enquiries regarding nominations and workshop content to:

Workshop Directors

Dr. Jiji T. Mathew
Email: jiji@nibmindia.org ; Tel: +91-20-26716266 (D); Mobile: 9423209032

Dr. G. Nagaraju
Email: nagaraju@nibmindia.org; Tel.: +91-20-26716323 (D); Mobile: +91-9665875253

Enquiries related to workshop registration, accommodation, etc. may kindly be addressed to:

Programme Office
National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune 411 048 (India)

Tel. : +91-20-26716000 (Board) / 26716375 / 257 / 210 / 392
WhatsApp : 7887884083 *(Messages Only)*
Email : trainings@nibmindia.org / progofficer@nibmindia.org
Website : www.nibmindia.org

For nominations, please login using the following link:
https://erp.nibmindia.org/POApplication#/

If you find any difficulty in accessing the above link, then kindly advise your IT department to whitelist **nibmindia.org** domain in the firewall.

Last Date for receiving nominations (Online): October 15, 2024
Last Date for receiving nominations (Campus): October 07, 2024
Last Date to avail 'Early Bird Discount': October 02, 2024

Online Workshop Fee ***(per participant) for 10 hours workshop***

US $ 500 for foreign participant

		Fee	GST	Fee+GST	TDS
Member Banks	:	13440	2419	15859	1344
Non-Member Banks	:	16800	3024	19824	1680
Individual Nominee	:	16800	3024	19824	----

The fee includes the cost of tuition, access to reading material and recorded videos, etc. (GST @ 18%, and TDS @ 10%. Kindly send the TDS certificate on priority to NIBM).

Campus Workshop Fee *(per participant) for 2-day workshop*

US $ 1000 for foreign participant

		Fee	*GST*	*Fee+GST*	*TDS*
Member Banks	:	21000	3780	24780	2100
Non-Member Banks	:	27000	4860	31860	2700
Individual Nominee	:	27000	4860	31860	----

The fee includes the cost of tuition, teaching material, board and lodging, etc. (GST @ 18 % and TDS @ 10%. Kindly send the TDS certificate on priority to NIBM).

As per the resolution of NIBM's 86th Finance Committee meeting held on January 31, 2023, all organisations / banks are required to make the full payment for all their nominations for the NIBM 'Executive Training Programmes / Workshops', prior to the commencement of the respective programmes / workshops. The Reserve Bank of India has given its consent for this new initiative.

Discounts

1. 5% 'Early Bird' discount for nominations received at least 15 days prior to commencement of programme.
2. **Bulk nominations:** The following discounts will be applicable –
   (a) 6-10 nominations – 5% *(b)* 11-19 nominations – 10%
   (c) 20 and above – 15%

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and GST No. 27AAATN0040P1ZJ.
- National Institute of Bank Management
  NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

1.	Name & Address of our Bankers	:	**Punjab National Bank C-2, Shop No. 4-5, Bramha Estate Kondhwe Khurd, Pune 411 048 Maharashtra, India**
2.	Name of the Beneficiary	:	**National Institute of Bank Management**
3.	NIBM's Bank Account No. with Punjab National Bank	:	**11281131004402**
4.	Bank's Swift Code	:	**PUNBINBBDIB**
5.	Preferred Currency	:	**USD**
6.	Correspondent Bank of Punjab National Bank	:	**WELLS FARGO BANK NA**
7.	Punjab National Bank A/c No. with Correspondent Bank	:	**2000193007918**
8.	Swift Code with Wells Fargo Bank	:	**PNBPUS3NNYC**
9.	IFSC	:	**PUNB0108810**

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted ONLY through electronic mode. Cheques / DDs / Pay Orders will NOT be accepted.**

- ***For all electronic / digital remittances, kindly send a confirmatory e-mail to: accounts@nibmindia.org, giving details of the remitter, participant, Programme dates, title of programme, etc.***

– Follow us on –

https://www.facebook.com/NIBMINDIA/ https://twitter.com/NIBMIndia https://www.linkedin.com/in/nibm/

https://www.instagram.com/nibm_india/ https://www.youtube.com/channel/UCJvHPNceTpUmfg7E0lHbo5w