

June 13 – 14, 2024

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



# Campus / Live Online Workshop on **Monetary Policy and Liquidity Management: Signals for Treasury and Market Risk**

*Workshop Directors*

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## Introduction

Monetary policy is an important function undertaken by central banks to influence the aggregate economic activity of the country in coordination with the fiscal policy. 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 the debt market, credit market and deposits. Commercial banks play a crucial role in this process, both as a dominant participant in the interbank market and acting as main counterparties of the central bank's market operations.

Global and domestic inflation has moderated from its peak, though it remains stubbornly above the target of many central banks. Major global central banks such as the Federal Reserve, European Central Bank and Bank of England have kept their policy rates unchanged at 5.25-5.5%, 4.5% and 5.25%, respectively, in the last few policy meetings, waiting for more convincing data to judge whether inflation would be durably anchored at 2%. The Bank of Japan has finally increased the policy rates by 20 bps to 0.1% and started quantitative tightening, while abandoning yield curve control and the negative interest rate policy. In its April 2024 policy decision, while pausing the policy repo rate at 6.5% consecutively for the seventh time as expected, the RBI clearly indicated that it was in no mood to either lower the rates or change the stance to neutral mode, until CPI inflation durably aligns to the 4% target.

The heightened tensions between Iran and Israel, Red Sea shipping disruptions coupled with the strong growth and employment data coming out from the US are likely to keep the global inflation elevated, and could delay the expected rate cuts of the major central banks. The financial markets, which strongly recovered from the ongoing Israel-Hamas war, are back again in risk-off mode as reflected in the hardening of US 10-year sovereign yields, rising dollar index and sell-offs in the equity markets. These events are dampening the prospects of a soft landing for the global economy. Consequently, market participants face considerable uncertainty in 2024 about the future trajectory of inflation, growth, and the magnitude and timing of the future rate cuts that may be undertaken 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 and public debt management operations of central banks 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 activities 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 sudden interest rate tightening. This workshop focuses on the recent monetary policy measures of RBI and other major global central banks, government's market borrowing programme, interest rate transmission, financial stability concerns and its signals for treasury and market risk.

## Objectives

- To discuss RBI's recent monetary policy responses and liquidity measures, and analyse its signals for money, G-Sec and foreign exchange markets.
- To analyse the monetary policy tightening measures of various global central banks in terms of policy rates, policy stance, tapering of bond purchases, balance sheet normalisation and global spillovers in the light of financial market volatility.
- 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 the Fed, ECB, BOE and BOJ - Interest rate decisions, quantitative tightening, 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 framework and measuring system liquidity
  - ❖ LAF - Fixed Rate Repo, Standing Deposit Facility (SDF) and Marginal Standing Facility (MSF)
  - ❖ Main Operations - 14-day VRR and 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 and futures
- ❖ Forex Swaps - Buy-Sell and Sell-Buy
- ❖ Exchange Rate Indices - REER and NEER

#### ❑ Monetary / Interest Rate Transmission to Money, Bond and Credit Markets

- ❖ Impact on CDs, CPs, yields, credit spreads, interest rate spread / liquidity premium, deposit rates and lending rates
- ❖ Real and nominal rates, inflationary expectations and neutral real interest rates
- ❖ Interlinkages between US and Indian sovereign yields and its implications

## 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 measures on both interest rates and exchange rates. Market experts and well-known treasury analysts and dealers would also be invited to share their experiences.

## Target Audience

- ◆ Middle and senior level executives from domestic and forex treasury
- ◆ Risk management officers handling market risk
- ◆ Officers from economic research departments

## Modalities

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

### Online Mode

The online course mode will have 20 hours of engagement time spread over 3 days, which would include several self-paced study materials, case studies and live interactions with faculty or guest lecturers.

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

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

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**

June 13 – 14, 2024

The participants are requested to report at the venue by the evening of June 12, 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 workshop in their individual capacity.

*Please address your enquiries regarding nominations and workshop content to:*

### Workshop Directors

Dr. Jiji T. Mathew

Email: [jiji@nibmindia.org](mailto:jiji@nibmindia.org) ; Tel: +91-20-26716266 (D); Mobile: 9423209032

Dr. G. Nagaraju

Email: [nagaraju@nibmindia.org](mailto: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](mailto:trainings@nibmindia.org) / [progofficer@nibmindia.org](mailto:progofficer@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): June 11, 2024**

**Last Date for receiving nominations (Campus): June 04, 2024**

**Last Date to avail 'Early Bird Discount': May 30, 2024**

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

US \$ 500 for foreign participant

	<i>Fee</i>	<i>GST</i>	<i>Fee+GST</i>	<i>TDS</i>
<b>Member Banks</b>	<b>: 13440</b>	<b>2419</b>	<b>15859</b>	<b>1344</b>
<b>Non-Member Banks</b>	<b>: 16800</b>	<b>3024</b>	<b>19824</b>	<b>1680</b>
<b>Individual Nominee</b>	<b>: 16800</b>	<b>3024</b>	<b>19824</b>	<b>----</b>

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<br>C-2, Shop No. 4-5, Bramha Estate<br>Kondhwe Khurd, Pune 411 048<br>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                                     | : PUNBINBDDIB   |
| 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                      | : PNBPU3NNYC  |
| 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](mailto:accounts@nibmindia.org), giving details of the remitter, participant, Programme dates, title of programme, etc.**

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