MERCURY

Foreign Exchange Market and Currency Risk Management Training Course

27 September – 1 October 2027
Rome (Italy)



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Foreign Exchange Market and Currency Risk Management Training Course

Ref: 42_1082494 **Date:** 27 September – 1 October 2027 **Location:** Rome (Italy) **Fees:** 6200 Euro

The Foreign Exchange Market and Currency Risk Management Training Course is a one-week course for treasury specialists, corporate finance managers, and risk analysts managing cross-border currency exposures. Working with spot pricing, forward point calculations, and structured hedging tools, you build a Foreign Exchange Risk Management and Dealing Framework. Mercury Training Center delivers this course to help you execute currency transactions and protect operating margins.

About This Course

Currency volatility, execution slippage, and unhedged cash flows erode operating profitability when organizations handle cross-border payments without formal risk controls. To follow this course, you must already track cash flows, evaluate financial statements, or assist in organizational treasury transactions. Through pricing exercises and scenario modeling, you practice measuring FX exposure and structuring sound currency hedges.

Who It Is For

- Professionals responsible for identifying foreign exchange transaction exposures and executing currency spot or forward orders
- Professionals responsible for designing corporate hedging policies, counterparty exposure limits, and treasury risk reporting
- Professionals responsible for negotiating bank pricing, checking swap point formulations, and monitoring settlement operations
- Professionals responsible for managing corporate liquidity, foreign currency accounts, and cross-border cash management structures

This course is not for retail speculators seeking high-frequency day-trading setups, nor is it for back-office data-entry clerks seeking introductory keyboard instruction in banking software.

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Competencies You Will Build

- Currency Pricing Mathematics: Calculating bid-ask spreads, forward point differentials, and cross rates using interest rate parity principles.
- Wholesale Market Governance: Applying the execution, pre-hedging, and information-sharing principles established in the FX Global Code.
- Forward Contract Structuring: Designing forward rate agreements, outright forward hedges, and currency swap facilities for commercial transactions.
- Options Exposure Hedging: Evaluating plain-vanilla foreign exchange options and option Greeks to protect cash flows against downside currency movements.
- Treasury Gap Identification: Conducting asset-liability management gap analysis and quantifying value-at-risk thresholds across foreign currency portfolios.
- Sharia-Compliant Hedging Formulation: Structuring non-speculative Islamic currency arrangements using Wa'ad constructs, swap-free spot transactions, and Murabaha mechanisms.

What You Will Be Able to Do

By the end of the course you will be able to:

- From market quotes and interbank interest rates, calculate outright forward prices, forward point adjustments, and synthetic cross-currency rates.
- Given corporate transaction timelines, design hedging structures using forward rate agreements, plain-vanilla currency options, and matching swap transactions.
- Using bank execution data, audit institutional trade execution quality, asymmetric slippage, and last look practices against FX Global Code guidelines.
- From balance sheet and cash flow forecasts, quantify translation and transaction exposures using asset-liability management gap schedules.
- Given Sharia governance guidelines, structure currency exposure mitigations using Wa'ad undertakings and trade-based Murabaha currency arrangements.
- Using organizational operational exposure data, compile a Foreign Exchange Risk Management and Dealing Framework to govern institutional currency operations.

Course Content

Day 1: Wholesale Currency Mechanics and Foreign Exchange Arithmetic

- Institutional Structure of the Global Foreign Exchange Market and Liquidity Pools
- Bid-Ask Spread Mechanics and Direct Versus Indirect Currency Quotations
- Cross-Rate Derivation and Triangulation Arbitrage Calculations
- Interest Rate Parity Theorems and Forward Point Differential Formulas
- Settlement Risk Profiles and Payment Versus Payment Clearing Frameworks

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Day 2: Market Conduct, Execution Standards, and Platform Operations

- Principles of Good Market Practice Governed by the FX Global Code
- Electronic Dealing Platforms, Multi-Dealer Systems, and Order Routing Types
- Execution Fairness, Asymmetric Slippage Controls, and Last Look Disclosures
- Pre-Hedging Boundaries and Client Confidentiality in Dealing Environments
- Counterparty Credit Risk Assessment and Institutional Dealing Mandates

Day 3: Linear Hedging Instruments and Balance Sheet Exposure

- Outright Forward Contracts for Commercial Transaction Hedging
- Foreign Exchange Swaps and Short-Term Liquidity Rebalancing Structures
- Forward Rate Agreements for Managing Foreign Currency Interest Rate Risks
- Asset-Liability Management Gap Analysis for Multi-Currency Balance Sheets
- Translation, Transaction, and Economic Exposure Measurement Techniques

Day 4: Non-Linear Derivatives and Sharia-Compliant Structures

- Plain-Vanilla Foreign Exchange Call and Put Options Mechanics
- Evaluation of Option Greeks for Hedging Portfolio Sensitivity and Volatility
- Zero-Cost Collars and Structured Hedges for Protecting Operating Margins
- Wa'ad-Based Currency Hedging Constructs and Sharia-Compliant Treasury Governance
- Murabaha-Based Currency Facilities and Swap-Free Spot Settlement Systems

Day 5: Dealing Verification, Strategy Integration, and Framework Design

- Exercise on Spot and Forward Rate Pricing Under Diverging Interest Rates
- Exercise on Counterparty Execution Quality and Slippage Auditing
- Exercise on Structuring Corporate Forward and Option Hedging Programs
- Exercise on Islamic Currency Risk Mitigation for Cross-Border Supply Contracts
- Finalization of the Foreign Exchange Risk Management and Dealing Framework

Case Studies and Exercises

These suggested activities provide practical application of foreign exchange risk management methods across corporate and financial environments:

- Case study: An industrial manufacturing firm where you evaluate imported raw material invoices in foreign currencies and construct forward contracts to eliminate cash flow variance.
- Case study: A regional commercial bank where you analyze dealing desk quotes against the FX Global Code to identify last look execution discrepancies and order slippage.
- Exercise: An international infrastructure joint venture where you evaluate multi-currency project cash flows and build a zero-cost option collar to protect project debt service.
- Exercise: A wholesale retail importer where you structure a Wa'ad-based currency arrangement to hedge seasonal purchase orders without entering non-compliant speculative facilities.

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What You Take Back

The Foreign Exchange Risk Management and Dealing Framework provides standardized exposure measurement models, pricing verification sheets, and governance protocols to manage corporate foreign exchange risk immediately during your first month back at work. You will use it to assess market risks, verify dealing quotes, and structure compliant hedges.

- Currency exposure inventory template for aggregating commercial transaction and translation risks
- Forward pricing and swap point calculation models based on interest rate parity
- FX Global Code dealing checklist for auditing broker execution standards and slippage
- Corporate currency hedging decision matrix covering conventional and Sharia-compliant instruments

Quick Answers FAQ

What background is required before attending the Foreign Exchange Market and Currency Risk Management Training Course?

You need practical experience working with corporate finance, treasury operations, or commercial cash management. Familiarity with basic financial mathematics, currency quotations, and standard spreadsheets ensures you can calculate forward points and evaluate currency risk exposures successfully throughout the practical exercises.

How does this course differ from retail forex day-trading courses?

Retail forex trading courses focus primarily on speculative technical analysis, chart patterns, and leveraged retail broker platforms. This course focuses on wholesale market mechanics, institutional hedging tools, corporate exposure management, FX Global Code market conduct, and governance structures required by treasury departments.

Why is interest rate parity essential in foreign exchange risk management?

Interest rate parity determines the mathematical relationship between spot exchange rates, forward prices, and interest rate differentials across currency pairs. Understanding this pricing foundation ensures corporate treasurers can verify bank forward point quotations accurately and avoid paying unjustified dealing spreads.

What completed work product do you take back from the Foreign Exchange Market and Currency Risk Management Training Course?

You take back the Foreign Exchange Risk Management and Dealing Framework, complete with exposure tracking templates, forward pricing models, trade execution checklists, and hedging decision protocols to implement formal currency risk controls across your organization.

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For Your Manager

The participant will return equipped to measure transaction and translation currency risks, audit wholesale pricing from dealing counterparties, and execute compliant hedging strategies. They bring back the Foreign Exchange Risk Management and Dealing Framework, which your organization will immediately use to eliminate cash flow volatility, enforce execution governance, and protect commercial profit margins across all foreign currency dealings.