



ISO 21001:2018 CERTIFIED



Online  
Programme on

# Monetary Policy and Liquidity Management: Beneficials for Treasury and Market Risk human assets

**Programme Coordinator**  
Mr. Arun Misra

Online Course  
Duration

**12 Hrs 2 Days**



**Dates**  
27-28 January 2025

# Introduction



Monetary policy and liquidity management are integral components of a country's financial system and play a critical role in the day-to-day operations of treasury functions within banks, corporations, and financial institutions. For treasury personnel, understanding the nuances of both is essential for effective financial management, risk mitigation, and decision-making.

Monetary policy, typically managed by central banks, involves the regulation of money supply and interest rates to achieve macroeconomic objectives such as controlling inflation, stabilizing the currency, promoting employment, and fostering economic growth. Key tools of monetary policy include open market operations, reserve requirements, and the discount rate. These policies directly affect short-term interest rates, liquidity conditions, and overall market stability—factors that treasury professionals must continuously monitor and respond to.

Liquidity management refers to the process of ensuring that an organization maintains sufficient cash or liquid assets to meet its short-term obligations, such as paying bills, settling debts, and funding operations. For treasury teams, managing liquidity is crucial for avoiding financial distress, optimizing cash flow, and ensuring that the organization can take advantage of investment opportunities or weather financial downturns. Liquidity management strategies often involve balancing cash reserves, managing interbank borrowings, and investing excess funds in low-risk, liquid assets.

This combination of monetary policy and liquidity management directly influences the cost of funds, investment opportunities, and the overall financial health of an organization. Treasury professionals must stay abreast of changes in monetary policy, anticipate their impact on market conditions, and apply sound liquidity management principles to safeguard against volatility and ensure financial stability.

By understanding both areas thoroughly, treasury personnel are better equipped to navigate complex financial landscapes, make informed decisions, and contribute to the long-term sustainability of their organizations.

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 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 financial stability concerns from interest rate tightening. This Programme focuses on recent monetary policy measures of RBI and other major global central banks, liquidity management, interest rate transmission, financial stability concerns, Government's market borrowing Programme and its implications for treasury and market risk.

# Objectives



- ▶ To discuss on Central Bank monetary policy responses and Liquidity measures as per last declared policy and analyze its indicators for different markets as Money, G-sec and Foreign Exchange.
- ▶ To discuss & analyze Monetary policy measures of various global central banks in terms of policy rates, monetary policy stance, tapering of bond purchases, the overall impact on balance sheet, and global turbulence.
- ▶ To understand the fiscal policy and its coordination with monetary policy, public debt management function, interest rate transmission, and its implications for Treasury operations and market risk.

# Programme Content



## ▶ **Monetary Policy: Formulation**

- Revised structure, Framework & objective of Monetary Policy.
- 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; Micro and Macro prudential measures to maintain financial stability

## ▶ **RBI's Operations in Money market and G-Sec Market**

- Liquidity Management Framework and Measuring Transient and Durable System Liquidity
- LAF: Fixed rate Repo, Standing Deposit Facility (SDF) and MSF
- Main Operations: 14-days VRR & VRRR
- OMOs, MSS, Control on Money Supply, and Yield Curve Management
- FX Swaps-short-term

## ▶ **Transmission of Monetary / Interest rate 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



# Programme Content



## ▶ RBI's Operations in Forex Market

- Buying and Selling in Spot, Forwards, Futures
- Forex Swaps: Buy-sell and Sell-Buy
- Effective Exchange Rate: REER and NEER

## ▶ RBI's Public Debt Management Function

- Market Borrowing Programme: Primary Auctions; Buybacks of Securities; Switching/ Conversion of G-Secs
- Fiscal & Monetary Policy Coordination
- Cash Management Tools: CMBs, Auctioning of Cash Balances, Ways and Means Advances

## Target Human Assets

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

## Pedagogy

Online live lecture will be taken by Industry experts & IIBF faculty members. Case lets & Case studies will be used for illustrations & explaining the various factors effecting monetary policy including Interest Rates & Exchange Rates. Market experts, treasury analysts and dealers will be sharing their experiences.

# Method and Process



## Online Mode

The online course will have total time of maximum 2 days, which includes explanation of all relevant regulatory guidelines. Real-life experience of professional bankers and live interactions with participants. The courseware has been developed in such a manner that it should help all the participants to understand the concepts and rational at gross root level. The courseware will include:

- I. All PPTs with regulatory AP(DIR).
- II. Case study or exercise material with Online references.
- III. Sessions Recording will be made available for future references for a limited period of time.

Participants are requested to enroll for the Programme through OnLine Enrolment form, enclosed herewith. Online sessions will be conducted through Learning Management System & will be provided with login id and password to enter into the learning platform of the institute. Guidance will be provided for navigating through the various activities in the platform such as accessing courseware, viewing video sessions, participating in live sessions, etc. Live session schedule will be provided at the start of the Programme. Participants attending the Programme would need internet access on a desktop or laptop with Google Chrome to enable access to live and recorded sessions (for limited period).

# Completion/ Participation Certificate

A completion certificate will be given to the participant at the end of the Programme. Participant has to remain logged in for at least the total number of engagement hours within the duration of the workshop for being considered to have completed the same along with an entry & exit level on line test.



## **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 this Programme in their individual capacity.


Please address your enquiries regarding nominations and Programme content to:

### **Programme Coordinators:**

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Enquiries related to Programme registration, may kindly be addressed to:

### **Programme Office**

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**Last Date for receiving nominations (Online): January 20, 2025**

# Fee



This is an Online program which is very reasonably priced at Rs. 4,000/- per participant plus GST (@ 18% i.e. Rs.720/-) aggregating to Rs. 4,720/-.

Programme fees may be remitted to the credit of Institute's account with State Bank of India, details of which are given below:

**Beneficiary Name:** Indian Institute of Banking and Finance

**Name of the Bank branch:** State Bank of India, Vidya Vihar (West), Mumbai.

**SB Account No:** 36919200263 **IFSC code:** SBIN0011710

(PAN No: AAATT3309D and GSTIN NO. 27AAATT3309D1ZS)

(In case of TDS deduction, please send us TDS certificate)

For nominations, please login using the following QR



For further details and nomination kindly contact:

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