# Market Risk Measurement and Management Training Course

22 – 26 February 2027
Tbilisi

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Training Center

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**Ref:** 1244_191898 **Date:** 22 – 26 February 2027 **Location:** Tbilisi **Fees:** 5000 Euro

## Overview

Market Risk Measurement and Management Training Course is a one-week advanced programme for professionals who measure, aggregate, limit, challenge, and report losses arising from movements in market prices and rates. Participants connect risk-factor mapping, position and valuation data, sensitivities, value at risk, expected shortfall, stress testing, backtesting, liquidity horizons, basis risk, non-linear exposure, limit structures, valuation controls, model governance, and executive reporting across trading and investment portfolios.

Each participant develops a Market Risk Measurement and Limit Framework for a selected portfolio or trading activity. The framework contains a risk-factor inventory, sensitivity map, measurement stack, aggregation rules, stress library, backtesting design, limit architecture, valuation-control interface, model-governance controls, and reporting dashboard. Agile Leaders Training Center presents market-risk management as a linked system of positions, data, models, controls, judgement, and accountable action.

## Who Should Attend

- Market-risk managers, analysts, and risk-control professionals
- Treasury, trading, investment, asset-liability, and portfolio teams
- Quantitative risk, model-development, validation, and model-risk specialists
- Product control, valuation control, finance, and regulatory-reporting teams
- Risk-data, technology, and analytics professionals supporting market-risk engines
- Internal audit, assurance, compliance, and governance professionals
- Senior managers and committee members reviewing exposure, limits, and capital

The course assumes familiarity with financial instruments, portfolios, and basic statistics. It does not provide trading or investment advice, approve a regulatory model, or replace institution-specific validation, accounting, capital, or supervisory interpretation.

## Learning Objectives

- Map positions to interest-rate, foreign-exchange, equity, commodity, spread, volatility, and basis risk factors
- Calculate and interpret sensitivities, value at risk, expected shortfall, and stress losses
- Understand diversification, concentration, correlation, optionality, and liquidity effects
- Design limits that connect business mandates, risk appetite, measures, and escalation
- Build backtesting and performance-analysis routines that expose model weakness
- Connect independent price verification, valuation uncertainty, reserves, and market risk
- Govern data, proxies, assumptions, model changes, validation, use, and limitations
- Produce decision-ready reports for desks, committees, executives, and boards

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## Practical Work Product

Participants build a Market Risk Measurement and Limit Framework containing:

- Portfolio and risk-factor inventory
- Sensitivity and exposure map
- VaR and expected-shortfall measurement specification
- Stress and reverse-stress library
- Backtesting and exception process
- Limit and escalation architecture
- Valuation and market-data control interface
- Model-governance checklist
- Market-risk dashboard and action log

## Day 1: Positions, Risk Factors, and Sensitivities

- Market-risk taxonomy and the boundary between market, credit, counterparty, and liquidity risk
- Position representation, cash flows, curves, surfaces, prices, spreads, and reference data
- Interest-rate gap, duration, PV01, convexity, foreign-exchange delta, equity beta, and commodity exposure
- Option delta, gamma, vega, theta, volatility surfaces, and non-linear risk
- Basis, correlation, concentration, jump, and residual risks

Workshop: create a risk-factor inventory and sensitivity map for a mixed portfolio, identifying missing and duplicated exposure.

## Day 2: VaR, Expected Shortfall, and Aggregation

- Parametric, historical, and simulation approaches to value at risk
- Confidence levels, holding periods, lookback windows, weighting, scaling, and assumptions
- Expected shortfall, tail loss, liquidity horizons, and non-modellable factors
- Portfolio aggregation, diversification, correlation instability, and concentration
- Interpreting measures for limits, capital, pricing, and management decisions

Workshop: specify a measurement stack and compare sensitivities, VaR, expected shortfall, and concentration indicators for the same portfolio.

## Day 3: Stress Testing, Backtesting, and Model Performance

- Historical, hypothetical, sensitivity, multi-factor, and reverse stress scenarios
- Scenario severity, plausibility, coherence, coverage, and narrative
- Linking macro-financial events to rates, spreads, currencies, equities, commodities, and volatility
- Backtesting, profit-and-loss definitions, exceptions, attribution, and escalation
- Model drift, data weakness, proxy risk, regime change, and performance monitoring

Workshop: build a stress library and backtesting process with thresholds, owners, exception analysis, and remediation decisions.

## Day 4: Limits, Valuation Controls, and Daily Management

- Desk mandates, risk appetite, directional exposure, sensitivity, VaR, stress, concentration, and stop-loss limits
- Limit allocation, utilisation, intraday monitoring, breach handling, temporary increases, and escalation
- Market data governance, stale prices, outliers, proxies, and data lineage
- Independent price verification, valuation adjustments, uncertainty, reserves, and prudent valuation
- Profit-and-loss reporting, attribution, unexplained movement, and interaction with product control

Workshop: design a limit hierarchy and daily market-risk pack linking exposure, valuation, P&L, breaches, and actions.

## Day 5: Model Governance, Capital Context, and Reporting

- Trading-book governance, regulatory measurement context, and standardised versus internal-model approaches
- Model inventory, ownership, development, validation, approval, implementation, and change control
- Use tests, limitations, overrides, compensating controls, and independent review
- Reporting to trading desks, asset-liability committees, risk committees, executives, and boards
- Governance calendar, emerging-risk review, and the ninety-day implementation backlog

Capstone: present and challenge the Market Risk Measurement and Limit Framework before a simulated risk committee.

## Training Methods

- Portfolio exercises and risk-factor mapping
- Sensitivity, VaR, expected-shortfall, and stress comparisons
- Backtesting, exception, and model-performance cases
- Limit, valuation-control, and reporting workshops
- Peer review of measurement frameworks and dashboards

## Course Outcomes

Participants leave able to connect positions and market data with complementary risk measures, challenge model output, design credible stresses and limits, investigate exceptions, and communicate exposure and action clearly. They also understand where measurement ends and management judgement, valuation control, validation, and governance must begin.

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## Frequently Asked Questions

Is this a quantitative modelling course?

It develops advanced measurement understanding and governance capability but does not teach programming or full model construction from source code.

Does the course cover FRTB concepts?

Yes. It explains the trading-book boundary, expected shortfall, liquidity horizons, non-modellable factors, and governance context without providing institution-specific regulatory advice.

Is it limited to banks?

No. The core measurement and limit methods also apply to investment portfolios, treasury operations, commodities, and other market-exposed organisations.

What will I produce?

You will complete a Market Risk Measurement and Limit Framework covering factors, measures, stress, backtesting, limits, valuation, models, and reporting.