

A Quantitative Introduction to SOFR: Cash Flows and Risk Management

MEASURING AND MANAGING SOFR CASH FLOWS INTELLIGENTLY



DURATION

2 – 3 hours



DELIVERY CHANNEL

eLearning



SHAREABLE CERTIFICATE

Earn a Certificate
of completion

DIFFICULTY

Advanced Level

Get started 

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COURSE OVERVIEW & BENEFITS

This course covers the fundamental quantitative knowledge and skills for individuals and firms that are, or will be, engaged in the transition away from the Interbank Offered Rates (IBOR) toward the Secured Overnight Financing Rate (SOFR).

A proper understanding of any financial product starts with its cash flows, and SOFR is no exception. “A Quantitative Introduction to SOFR: Cash Flows and Risk Management” provides detailed, step-by-step guidance for the calculation of SOFR cash flows under various market conventions as well as the management of SOFR risks using SOFR derivatives. Actual market data are used in the examples and case studies are integrated into this course.

LEARNING OBJECTIVE

Build the skills and knowledge required to calculate SOFR cash flows and to use financial derivatives to hedge SOFR risks.

COMPETENCIES GAINED

Participants will be able to:

- Calculate SOFR cash flows based on common market conventions, including simple average, compounded average, SOFR in arrears, and SOFR in advance.
- Understand the benefits and risks of each market convention in defining SOFR cash flows
- Understand how SOFR futures work
- Use SOFR futures to hedge cash flow risks
- Understand key properties of SOFR swaps
- Use SOFR swaps to hedge cash flow risks
- Understand basis risks involved in various SOFR instruments, including loans, futures, and swaps
- Learn through case-study based scenario training
- Learning is validated with a final assessment (80% pass rate required to earn course certificate)

TARGET AUDIENCE

This advanced level course is suitable for anyone whose work requires the understanding and managing of cash flows linked to SOFR, LIBOR, or any other floating rate. Recommended for senior executives, financial managers, risk managers, loan officers, strategists, and consultants.

COURSE FEE

USD \$300 for individuals. We offer discounted pricing for enterprise sales, please contact learn@SOFR.org