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FINANCIAL RISK ANALYTICS(Week 2)

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DSBA CURRICULUM DESIGN

FOUNDATIONS

- Python for Data Science
- Statistical Methods for Decision Making

CORE COURSES

- Advanced Statistics
- Data Mining
- Predictive Modelling
- Machine Learning
- Data Visualization
- SQL
- Time Series Forecasting

DOMAIN APPLICATIONS

- Marketing Retail Analytics
- Financial Risk Analytics- Week-2/3

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Learning Objective of This Module

- Different Types of Risk
- Credit Risk
- Market Risk

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Learning Objective of this Session

- What is Market Risk
- Algorithmic Trading
- Portfolio Optimization

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INTRODUCTION- Market RISK

Market risk is the risk of losses in positions arising from movements in market prices.

It is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial **markets** in which he or she is involved.

It is also called as “Systematic Risk”.

Commonly used Market Risk :

Interest rate

Currency risk

Equity and

Commodity risk.

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Market Risk

Market risk is the risk of losses in positions arising from movements in market prices.

Common examples of Market Risk are :

Equity Risk : Risk associated with equity in companies through purchase of stocks.

Interest rate Risk : Risk associated with any fluctuations in interest rate for bond owners.

Currency Risk/Exchange Rate Risk : Financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the company. The exchange risk arises when there is a risk of significant appreciation of the domestic currency in relation to the denominated currency before the date when the transaction is completed.

Commodity Risk : Risk due to fluctuations in price of commodities leading to uncertainties of future market values and the size of future income.

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Algorithmic Trading- Case Study

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Portfolio Optimization Case Study

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Data Science @ Work

Apply **Data Science at your workplace** to gain some instant benefits:

- Get noticed by your management with your outstanding analysis backed by data science.
- Create an impact in your organization by taking up small projects/initiatives to solve critical issues using data science.
- Network with members from the data science vertical of your organization and seek opportunities to contribute in small projects.
- Share your success stories with us and the world to position yourself as a subject matter expert in data science.

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ANY QUESTIONS

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HAPPY LEARNING

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