

Pacific Islands Centre for Development Policy and Research (PICDPR)

(Formerly, South Pacific Centre for Central Banking)

*Developing capacity for research and
policymaking in the Pacific islands*

Pacific Islands Regional Webinar

OPPORTUNITIES AND CHALLENGES IN CENTRAL BANK RESERVES MANAGEMENT

Tuesday 21 June 2022
10:00–11:30am AEST (Brisbane Time)

The webinar is designed to provide an overview of Central Bank reserves management, in a manner that is relevant across the hierarchy of a Central Bank—from Board and Investment Committee members, to Heads of Financial Markets and Reserves Management departments. We would be happy to delve deeper into any specific topic area, following a needs analysis of each Central Bank post-webinar.

Mode: Virtual (links to be provided)

Format: 90 minutes: 60 mins presentation;
30 mins Q&A

Level: This webinar is suitable for the following individuals who are responsible for managing the reserves of Central Banks: Board Members, Investment Committee Members, Heads of Financial Markets Department, and Heads of Reserves Management Departments.

Crown Agents Investment Management is a specialist fixed income and multi asset investment firm focused on institutional clients—central banks, sovereign wealth funds and pension funds in emerging and frontier markets. In addition to investment management services, knowledge transfer and capacity building is an integral part of our service offering and we have decades of experience in working with central banks. Website: <http://www.caiml.co.uk/>

Convenor: Parmendra Sharma, Program Director PICDPR, p.sharma@griffith.edu.au

Co-convenor: Jude Kuwan, Head of Business Development CAIMI, jude.kuwan@caiml.com

The proposed webinar will be structured in three parts and is intended to give a comprehensive overview of Central Bank reserves management. The first part will look at the fundamentals of Central Bank reserves management, covering key topics such as Reserves Tranching, Strategic vs. Tactical Asset Allocation, and Governance. This is the cornerstone of all well-run reserves management programs. The second part will look at issues facing Central Bank reserves managers in 2022. In this section, we will discuss Asset Allocation for Central Banks in the current environment of low and rising interest rates, the merits and challenges of diversification, and how Central Banks reserves portfolios should be positioned against the current market backdrop. The third part will be dedicated to markets, and will explore among other things, what drives markets, what drives (the major) Central Bank's policy, as well as possible scenarios for 2022 and beyond.



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to visit the PICDPR website

Agenda

1. Overview of reserves management
 - Reserves tranching – liquidity vs. investment tranches
 - Objectives – safety, liquidity, return
 - Strategic vs. tactical asset allocation and active positions
 - Governance
2. Asset Allocation for central bank reserves in 2022
 - The consequences of low and rising interest rates
 - Considering the investment horizon
 - Benefits and challenges of diversification
 - Long-term allocations vs. short-term positioning
 - How should central banks be positioned now?
3. Market outlook
 - What's driving markets?
 - What's driving central bank policy?
 - Economic fundamentals vs. other factors
 - Possible scenarios for 2022

Speakers



Roberts Grava is Chief Executive Officer of Crown Agents Investment Management. He brings over 25 years of global institutional asset management experience to the firm, having focused mainly on sovereign investment institutions and official sector investment issues. He has held several senior roles in public and private sector institutions, including Head of Official Institutions, Institutional Solutions and Advisory and Managing Director, Fixed Income at J.P. Morgan Asset Management, Head of Quantitative Strategies, Risk and Analytics and Engagement Manager, Reserves Advisory and Management Program (RAMP) at the World Bank. Previously, he had spent 11 years as Chief Investment Officer, Head of Reserves Management and Market Operations and Member of the Executive Board at Latvijas Banka, the central bank of Latvia. He has a degree in Economics from Columbia University and is a CFA charterholder.
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Slawek Soroczynski, Senior Fixed Income Fund Manager, is responsible for managing fixed income portfolios for a number of CAIM's key clients, including mandates from central banks and a range of other investment funds. He has extensive trading experience in fixed income, foreign exchange and emerging markets. He worked for Commerzbank for six years as a senior local currency bond trader focusing in particular on Central Eastern Europe. Prior to joining Commerzbank, he was chief dealer at Bank Przemyslowo-Handlowy in Krakow, Poland, with responsibility for all treasury trading operations. Slawek lectured on financial markets and instruments at the Academy of Economics, Krakow, and is co-author of two books on the Polish financial markets.
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