



Australian Government

Department of Education, Employment and Workplace Relations

FNSFMK403A Interpret financial markets information

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to access, interpret and analyse relevant aspects of market information to inform operational functions and identify and assess risks in dealing with financial transactions and settlements.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	This unit has application across a range of financial market roles.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Relate financial markets information to operational roles	<p>1.1. The different <i>financial market</i> sectors that occur within the financial market are recognised and related appropriately to the financial markets operational role</p> <p>1.2. The relationship between financial market sectors, <i>participants</i> and the economy is understood and applied consistently</p> <p>1.3. Clear and quantifiable parameters are set for the identification and sourcing of <i>information</i> in accordance with legislative and <i>organisational requirements</i></p> <p>1.4. Market information and data is accessed and interpreted in terms of validity, reliability and relevance to defined operational tasks</p>
2. Interpret market information and assess risk	<p>2.1. <i>Economic trends and market developments</i> are identified and evaluated in terms of potential implications and impacts on operations, including compliance with <i>relevant legislation</i></p> <p>2.2. Potential operational risk for the organisation and clients is identified and contingencies to manage risk determined in accordance with organisational and industry standards</p> <p>2.3. Sound judgement is used to ensure consistency of interpretations based on available information sources</p>
3. Apply market data	<p>3.1. Market performance, trends and risk identification are prioritised and associated with operational tasks</p> <p>3.2. Market data is applied to the operational role and any issues requiring supervision or guidance are reported to <i>relevant persons</i> in accordance with organisational requirements</p> <p>3.3. The operational application of market information and data is in accordance with the relevant <i>legal and ethical constraints</i> and organisational requirements</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - determine and confirm work requirements, using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - access and use appropriate software such as spreadsheets and databases
 - access internet information
- literacy skills to read, filter and interpret information relevant to the operational role
- judgement skills for forming recommendations in operational situations and identifying and considering economic environmental factors which affect financial services and markets
- organisational skills, including the ability to plan and sequence work
- management skills for working effectively in a constantly changing environment

Required knowledge

- roles played by intermediaries and issuers, including:
 - financial service providers
 - banks
 - brokers
 - investment banks
 - building societies
 - money brokers
 - financial companies
 - stock brokers
 - future broker
 - friendly societies
- the economic environment, including:
 - broad characteristics and impacts of economic and business cycles
 - government monetary and fiscal policies
 - interest rates, exchange rates, inflation
- inter-relationships between industry sectors and financial markets
- sources of market and comparative data
- statistical reporting formats

REQUIRED SKILLS AND KNOWLEDGE

- relevant legislation including privacy and Freedom of Information (FOI) legislation
- data collection and management systems
- organisational guidelines, goals and objectives
- risk identification and mitigation techniques

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> • apply knowledge of relevant economic concepts • recognise market participants and their functions • identify economic trends and market development affecting the operational role • work within the legal and ethical constraints for financial markets operations and comply with organisational requirements • source, collect and interpret relevant financial markets information • make operational judgements using the correct interpretation of interpreted data.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to financial markets information sources.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills • setting and reviewing workplace projects and business simulations or scenarios • accessing and validating third party reports.
Guidance information for assessment	

Range Statement

RANGE STATEMENT	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p>	
<p><i>Financial markets</i> may include:</p>	<ul style="list-style-type: none"> • Australian Securities Exchange (ASX) • Over the Counter (OTC) derivatives • any other exchange traded markets
<p><i>Participants</i> may include:</p>	<ul style="list-style-type: none"> • ASX • banks • brokers • custodians • financial institutions • friendly societies • investment banks • managed fund providers • retail clients • superannuation fund providers • wholesale clients.
<p><i>Information</i> may be evaluated for:</p>	<ul style="list-style-type: none"> • accuracy • authenticity • currency • quality • relevance • reliability • reputability of source • validity.
<p><i>Organisational requirements</i> may be outlined and reflected in:</p>	<ul style="list-style-type: none"> • business and performance plans • ethical standards, codes of practice • legal and organisational policy/guidelines • mission statements, strategic plans • product or service development • quality and continuous improvement processes and standards • quality assurance and/or procedures manuals.
<p><i>Economic trends and market developments</i></p>	<ul style="list-style-type: none"> • economic trends: <ul style="list-style-type: none"> • local

RANGE STATEMENT	
may include:	<ul style="list-style-type: none"> • regional • national • international • ecological and environmental trends • government activities: <ul style="list-style-type: none"> • interest rates management • regulation • deregulation • social and cultural factors • demographic trends • changes in technology • industrial trends
Relevant legislation may include:	<ul style="list-style-type: none"> • Banking Act • Corporations Act • Criminal Code Act • Financial Corporations Act • Financial Services Reform Act • Financial Transaction Reports Act • Privacy Act • Reserve Bank Act • Taxation Act • Trade Practices Act.
Relevant persons may include:	<ul style="list-style-type: none"> • colleagues • managers • supervisors.
Legal and ethical constraints may include:	<ul style="list-style-type: none"> • codes of practice • ethical principles • organisational policies and guidelines • relevant legislation and regulations • social and cultural expectations and influences.

Unit Sector(s)

Unit sector	Financial markets
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		