Introduction to Trading and Oil Price Risk Management

Unit One examines physical trading economics in depth. Delegates will learn how to negotiate and cost deals, calculate profitability, charter a ship and examine the contractual aspects of trading. They will make decisions as part of a crude oil and refined product trading team, maximizing profits through an understanding of the economics of trading and the management of inherent price risks.

WHO SHOULD ATTEND
Unit One will benefit anyone coming into trading from elsewhere in the industry, those in supply and marketing functions looking for a wider understanding of the market, those in oil companies, banks, law firms, accountancy practices, the media, market regulatory, financial services, and elsewhere who interface with traders and trading.

Unit Two is beneficial to those with a prior interface with traders and trading.

INSTRUCTORS
Michael Jarvis, Dip C Eng
Phil Smith, MBA

PROGRAM FEE
TWO DAYS: £1,200*
THREE DAYS: £2,600*
FIVE DAYS: £3,800*

* VAT charges only where applicable

LECTURE SESSIONS
UNIT ONE  INTRODUCTION TO TRADING (2 DAYS)
MARCH 25 – 26, 2019 /NOVEMBER 11 – 12, 2019

| PROCESSING | Introduction to Processing Deals |
| CRUDE OIL TRADING | International Pricing of Crude Oils, Crude Oil Trading, Brent / BFOE Market |
| PRODUCTS TRADING | Mechanics of Trading Products, Oil Broking, Coatings, Valuing Product Quality |
| CONTRACTS AND TRADING | Negotiating a Deal, Writing a Contract, Calculating the Profitability of Deals, Contango and Backwardation |

LECTURE SESSIONS
UNIT TWO  OIL PRICE RISK MANAGEMENT (3 DAYS)
MARCH 27 – 29, 2019 /NOVEMBER 13– 15, 2019

| RISK IDENTIFICATION | Identifying Risks in a Corporate Position, Quantifying Exposure |
| RISK MANAGEMENT INSTRUMENTS AND MARKETS | Futures Markets, Forward Markets, BFOE and Dated Brent Markets, CRDF / DFLS, Swaps and OTC Markets, Role of the Market Maker, Comparison of Instruments |
| OPTIONS | Exchange and OTC Options, Options Strategies, Tailored Swaps and Embedded Options |
| KEY BENEFITS | \- Provides a thorough understanding of risk management instruments and their use in hedging in the oil industry. The instruments are explained and compared along with their uses and associated costs, risks, and effect on profitability. \- Presents the theory and pricing of options along with the value of optionality in the physical oil markets. \- Reviews value at risk and other management control issues. \- Participants work in teams to identify and hedge price risk in various situations and to compare outcomes |

* VAT charges only where applicable

“An overall great course. It enabled me to look at trading from a completely new perspective.”

~Participant

FIVE DAYS: £3,800*