

This course is extremely practical. Participants play trading games and have to solve many exercises & cases. A steep learning curve and an increase of both knowledge and skills will be the result.

Set up

This training course is specifically designed to educate participants about energy derivatives and trading. The course provides a broad overview of energy, energy markets, energy trading & risk management. Insight is provided in activities of utilities and other energy companies. Extensive explanation of oil, gas, coal, power & carbon derivatives is provided, as well as their application. Trading processes, pricing and risk management are also explained and last but not least, focus will be at market fundamentals, such as market participants and their role. Knowledge of energy trading and risk management will be transferred to assure easy and fluent integration of the employees of companies who operate in the energy sector or energy markets. This course is not only about 'who', 'what' and 'where', but also about 'why' and 'how'. Therefore this course does not only incorporate the transfer of knowledge but focuses also on skills and practical implication. The program covers three (3) full days and can of course be tailored to your specific requirements.

Training

The training sessions have a strong interactive character whereby the contribution of participants is of utmost importance. A clear overview of the working of the energy derivatives is given during the training sessions by means of questions, theory and theses.

Learning objectives

The learning objectives of this extensive education programme are to acquire insight and knowledge of, and practical skills regarding:

- Energy products & derivatives (forwards, futures, swaps and options)
- The working of processes with respect to energy derivatives
- Integration with the financial markets (+consequences of this)
- Trading of energy (-related) products & pricing of these products
- Volatility & Liquidity
- Price correlation coefficients
- Hedging, arbitrage & speculation
- Risk & risk management, measuring risk & risk calculation methods

Target group

This course is mainly suitable for people within energy companies and financial institutions who operate in the field of energy/commodities.

- Employees of utilities and energy companies, supervisory boards and (energy) exchanges
- Employees of back, mid & front-offices of utilities, energy companies, banks & exchanges
- Risk managers, treasury staff, traders & analysts
- Decision makers and policy makers of governmental entities
- IT staff & legal staff in the energy sector
- Energy related-personnel in banking and corporate finance
- Portfolio managers & Investment advisors
- Internal & external accountants
- Controllers & compliance officers & Investment & fund managers
- Salesmen & traders of energy companies & financial institutes

Documentation

For assistance and reference, various documentation will be used in the training sessions. Participants will be provided with material, such as cases and exercises, in a syllabus.

3-DAY TRAINING COURSE: TRADING ENERGY DERIVATIVES

Program:

Trading fuels & other products

- Oil, Gas, Coal & Power
- Emissions
- Freight (derivatives)
- Weather derivatives
- FX

Derivatives

- Spot versus forward products
- Forwards / Futures
- Swaps & Options

Trading

- The reason for trading
 - Hedging, Arbitrage & Speculation
- The organisation of the trading environment
 - Front, Mid & Back office
 - Dispatch
 - The role of ICT & Legal department
- Decision making, information processing and analysis

Market fundamentals & Pricing

- Demography & economy
- Reserves & availability
- Production & capacity
- Social factors & political policy
- Transport
- Geo-political interests & risks
- Quality
- Exchange rates, inflation & negative correlation
- Seasonality & weather
- Substitution

Trading platforms

- Over the Counter (OTC) vs. exchange trading
- Brokers & their role
- Tray port

Electricity & Emissions trading

- Power
- Carbon

Freight & Weather trading

- Freight (Freight derivatives, FFAs)
- Weather (Weather derivatives)

Spread trading

- Location (basis) spreads
- Quality spreads
- Margin spreads
 - Crack spreads
- Cross-commodity spreads
 - Spark spread & Dark spread
 - Dirty spreads vs. clean/green spreads

Trading & risk management

- Risk management
- Identification of risks & Measuring risk
- Value at Risk & VaR Methodologies

Asset & Portfolio Management

- Power plants & Hedging of power plants
- Real options
- Optimization of power plants
- Utilization of Megawatts

Exercises

Practical exercises being used in this course help you to understand 'why' and 'how'. This assures that you will improve your skills, besides from the increase of knowledge, by means of facts and theory. Exercises & Cases used in this course:

- Price drivers (Oil, Gas, Coal, Power, Carbon)
- Gas-to-Gas hedging (Gas)
- Spark & Dark spreads (Coal, Gas, Power, Carbon)
- Auction & Continuous trading (Carbon & Power)
- Commodity options (Oil & Coal)
- Asset & Portfolio management (Power)
- Cross-border trading (Gas)
- Dynamic hedging (FX)
- Value at Risk (Oil & Gas)
- Freight derivatives (Coal & Freight)
- Weather derivatives (Weather)

Trading Game

Participants of the course will play trading games. This objective of this is to make attendees familiar with the psychology, pressure and stress of trading (though in a fun way this time). And also to make participants aware of the trading systems traders use, being offered by exchanges, or players in the OTC market. Last but not least by this practical workshop you will be able to implement vocabulary and terminology with respect to trading.