Content

- Introduction
- Course Overview
- Program Outline
- Who Should Attend?
- Course Facilitator
- Background
- Contact Information
Energy Trading, Risk Management & Pricing

Volatility, counterparty exposures, credit requirements, government regulations, unexpected “black swan” events and geopolitics keep traders in a perpetual state of high alert. To formulate an effective risk management strategy today’s front, middle and back office executives must apply a holistic approach that begins with understanding the environment your firm operates in, what risks it faces and how best to measure, monitor and manage them.

Our Energy Trading, Risk Management & Pricing program is designed to enable participants to identify, measure and manage risk in its many forms by applying proper tools through disciplined evaluation and decision-making.

Course facilitators will walk enrollees through the use of futures, options and swaps in the management of risk with practical hedging examples and course assignments.
Course Overview

Risk Management

- Risk Management in Energy Trading
- Understanding Risk
  - Price Risk
  - Basis Risk
  - Credit Risk
- Managing Trading Risk
  - Market-to-Market
  - VaR
- Pricing in Energy Markets
- Applied Hedging Strategies

Paper Instruments

- OTC Markets & Exchanges
- Basic Paper Instruments
  - Futures
  - SWAPs
  - Options
- Advanced Paper Instruments
  - CFDs, EFPs, DFLs, EFSs
- Forward Freight Agreements
- Dated Brent Market
Program Outline

**Risk Management in Energy Trading**
- Learn the basic principles of risk management within energy and commodity trading organisations
- Become familiar with the roles and responsibilities of different departments in the risk management process

**Understanding Risk**
- Review the most common types of risk that are faced by trading companies
- Learn how companies identify, monitor, control and report risk in the energy and commodity trading environment

**Managing Trading Risk**
- Understand the role derivative trading plays in managing trading risk
- Be introduced to Mark-to-Market, Value at Risk, Stress Testing concepts and the role these play in managing trading risk

**Pricing in Energy Markets**
- Identify the main sources for prices within global energy markets
- Review the various calculations used in energy price formation and the methodologies used by price reporting agencies
- Investigate the inter-relationships between energy prices in different parts of the world

**Applied Hedging Strategies**
- Learn how to apply different hedging instruments and understand which instruments are applicable in each situation
- Identify potential risks and rewards of various trading tools
Program Outline

OTC Markets & Exchanges

- Become familiar with the characteristics of futures and forwards
- Gain insight into prices: settlement, Bwave, Frontline
- Investigate the role of the clearinghouse and energy/commodity brokers

Basic Paper Instruments

- Investigate the development of ICE Brent futures out of the Brent Forward contract
- Learn what swaps are and how they work and gain a basic understanding of options
- Practise the application of basic derivative instruments

Advanced Paper Instruments

- Review Contracts for Difference (CFDs) and Dated to Frontline (DFLs)
- Understand Exchange of Futures for Physical (EFPs)
- Examine the use of Forward Freight Agreements (FFAs)

Dated Brent Market

- Examine the differences between “30-Day BFOE” and “Dated Brent”, spot vs. forward markets
- Review the evolution of the “30-Day BFOE contract”
- Investigate the mechanisms for trading Brent in spot and forward markets
Who should attend?

Energy Trading, Risk Management & Pricing is an intermediary level course and is ideal for anyone looking for a greater understanding of the commercial side of the global oil and gas industry.
Johannes Benigni is the founder of JBC Energy, Austria and JBC Asia, Singapore. Mr Benigni first started the company Vienna in the early 1990s, focusing mainly on oil brokering in Central and Eastern Europe. Over the years Mr Benigni has steered the company away from oil brokering to specialise in consulting, research, and training.

The company has a substantial portfolio of consulting services, analytical reports on oil, gas and alternative fuel markets and training courses. Mr Benigni and the JBC team have highly specialised knowledge of energy markets and support many national oil and gas companies as well as government-related agencies on pricing and risk management issues as well as with strategic advice on upstream and downstream projects. In addition to providing business advisory services, Mr. Benigni has acted as an expert witness in a range of trading disputes.

Mr Benigni’s insight into energy market developments is also often requested by industry and mainstream media and he is a regular speaker at several international conferences. He is a graduate of the Vienna University of Economics and Business Administration.
Since its establishment in 1994, JBC has been providing participants with the knowledge and skills required for optimal performance in an ever-changing high risk environment.

Our hands-on experience and expert content guarantees that our courses will meet the requirements of all participants who want to further their commercial “on the ground” understanding of the oil business.

JBC has trained hundreds of senior executives, traders, analysts, operational and finance personnel in the world’s largest energy companies.

JBC also offer courses in Oil Market Analysis, Risk Management & Pricing in Energy Trading and Refining.