

# OIL AND GAS TRADING

## - MANAGING ECONOMICS & UNCERTAINTY

13-14 Mar 2014, Singapore

This course is practically focused and will review best practice approaches to identify, evaluate, and quantify risk and uncertainty in every day oil and gas market situations. It will highlight the development of pragmatic tools, methods, and understandings for professionals that are applicable to companies of all sizes. The course reviews the relationship between risk and return, and hedging and future markets strategies utilized by the industry.

You will gain a better understanding of factors that could impact your daily economic trading and infrastructure investment decisions as well as establish a new set of applicable tools to use in your professional career.



### WHO SHOULD ATTEND

This course is designed to be participative and discussion-oriented. This allows delegates to draw from each other's rich experience while considering the many opportunities and threats posed by developments in the global oil & gas industry.

- Oil traders
- Strategists and Analysts
- Risk management.
- Planning and finance departments from O&G companies and related sectors

### ABOUT THE TRAINER



**Tom James**

Tom James has been involved in Energy & Commodity markets since 1989 and is an internationally known business architect, leading market analyst and trading director in the Energy & Commodity markets, having

developed his skills and expertise over the years whilst at top tier financial institutions around the world. He has a track record of successfully building trading teams and profitable investment strategies thanks to his deep knowledge and practical broad experience of this sector.

In 2011 he was shortlisted in the top 5 nominees for the Individual Achievement Award by the Energy Institute in London, United Kingdom.

In recognition of his expertise in Energy & Commodity trading, he was selected in 2006 for the Petronet LNG (PLL) Chair Professorship at the University of Petroleum & Energy Studies in Asia, a position he continues to hold.

He is a regular commentator on Market Trends for International News channels and is a weekly contributor to the CNBC energy market analysis review.

FEE	1 PAX	3 PAX or more
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### COURSE SCHEDULE

#### DAY 1

##### GLOBAL OIL & GAS MARKETS

- Market outlook balance 2014 supply demand drivers
- Review of energy price behavior - key differentiating factors
- Spot, forward prices and spreads
- Forward curve analysis for oil market economics - Excel Workshop
- The News and information to watch

##### OVERVIEW OF OIL & GAS PHYSICAL AND FINANCIAL MARKETS

- Risk of dimensions in energy markets: Price, basis, volume, regulation, weather, operations, freight - The Risk Matrix (TM)
- Exchange-based and OTC trading
- Impact of physical delivery
- Clearing, collateral and margin issues

##### CRUDE OIL MARKETS AND INSTRUMENTS: PHYSICAL AND FINANCIAL TRADING

- Overview of the global crude oil market
- Global crude oil flows
- Price setting mechanism and world oil pricing
- Physical oil transactions
- Forwards, swaps, exotic swaps (extendable, double-up), basis swaps, options, Asian options, EFPs

##### REFINED PRODUCTS MARKETS AND INSTRUMENTS: PHYSICAL AND FINANCIAL TRADING

- Overview of the global refined products markets
- Trading crack spreads, refineries economics
- Virtual Refiners via derivatives
- Forwards, swaps, basis swaps, options, strips of options, Asian options, crack spread options

##### LNG MARKETS AND INSTRUMENTS: PHYSICAL AND FINANCIAL TRADING

- Overview of the global LNG & GAS markets
- Trading & Global Flows
- Key Economics
- Forwards, swaps, basis swaps, and other developments in Derivatives

#### DAY 2

##### WEATHER, FREIGHT AND EMISSIONS MARKETS – THEIR IMPACT ON OIL GAS MARKETS

- Temperature measures: cooling degree days and heating degree days
- Hybrid products based on weather and other underlying assets
- Emissions markets
- Freight routes and markets

##### TECHNICAL ANALYSIS – APPLICATION IN SUPPLY CHAIN AND REVENUE OPTIMISATION DECISIONS

- Charts:
  - Chart construction
  - Line, Bar and Candlestick charts
- Chart patterns:
  - Support and resistance
  - Trading ranges
  - Breakouts
  - Fibonacci
- Analysing Spread Charts
  - Support and resistance
  - Trading ranges
- Technical indicators:
  - Moving averages / MACD
  - Relative Strength Indicator (RSI)
  - Bollinger Bands

##### STRATEGIC AND TACTICAL ISSUES AROUND HEDGING WITH ENERGY DERIVATIVES

- Close out value - liquidity measures in OTC markets
- Evaluating the use of derivatives to control market risk and linking use to entity-wide and activity-level objectives (the risk matrix)
- Defining risk management activities and terms

##### USING ENERGY FUTURES, FORWARDS, SWAPS

- Hedging with futures. Buyers and sellers long or short?
- Hedging with forward and swaps
- Energy swaps and exotic swaps

##### USING ENERGY OPTIONS: HEDGING AND SPECULATION

- Review of options types
- Understanding option payoffs

##### RISK MANAGEMENT

- Understanding and interpreting value-at-risk measures, VaR
- Overview of methodologies: Analytic, Monte Carlo and historical simulation
- Risk Reports - Enhancing exposure reports with risk analysis

##### STRESS TESTS IN ENERGY MARKETS

- Stress tests as a complementary tool to VaR and other market risk measures
- Types of stress tests and main applications
- Integrating liquidity, credit and operational risk in the formal risk management process