

▲ Who should attend?

All personnel in the petroleum or associated industries needing to improve their knowledge and understanding of crude oil and petroleum products trading and pricing mechanisms.

▲ Duration

3 days

▲ Dates & Location

Non-scheduled

May only be organized for a single company

▲ Tuition Fees

To be agreed upon

▲ Course Coordinator

Lucien Guez

Ref. **EG / ICP**

INTERNATIONAL CRUDE OIL AND PRODUCTS TRADING

OBJECTIVES

To provide a better understanding of the structure, the methods of operation, the uses and the impacts of physical, financial and paper markets for crude oil and petroleum products.

On the conclusion of the course, participants will have:

- analyzed the parameters which influence prices of crude oil and petroleum products
- reviewed the different oil trading markets by type of transaction
- understood the importance of transport costs in oil supply economics
- comprehended the hedging techniques available for protection against fluctuations in prices.

COURSE CONTENT

OIL SUPPLY AND DEMAND FUNDAMENTALS

0.5 day

Oil vs other energy sources.

Demand fundamentals.

Oil producing countries, OPEC, consuming countries, international oil companies: constraints and strategies.

CRUDE AND PETROLEUM PRODUCTS PHYSICAL TRADING

1 day

“What is the value of a crude oil?”: the refiner’s point of view.

Different types of contracts: long term, spot and forward.

Main oil markets and their features.

Benchmark crudes. The role of reporting agencies.

Links between trading and shipping.

Products trading.

EXCHANGES AND FUTURES TRADING

1 day

The concept of volatility.

Definition of a contract: the case of WTI and Brent.

Exchanges and their organization: the cases of NYMEX and IPE.

Main futures markets.

Hedging principles.

Hedging imperfections. Basis risk.

DERIVATIVES

0.25 day

Options: principles, basics and characteristics.

Interests and limits of options.

Swaps: principles, basics and characteristics.

Interests and limits of swaps.

HEDGING STRATEGIES

0.25 day

Hedging strategy for a consumer.

Hedging strategy for a marketer.

Hedging strategy for a refiner.

Hedging strategy for a producer.