



Commodities & Commodity Derivatives Conference

London: 19th – 22nd November 2007

This conference provides FOUR booking options

Register to ANY ONE, TWO, THREE or all FOUR days of the conference

Register to ANY TWO conference days and receive £200 discount

Register to ANY THREE conference days and receive £300 discount

Register to ALL FOUR conference days and receive £400 discount

Topics:

Day 1: The Financial Economics of Commodity Markets. Description of the Different Asset Classes

- Demand, supply and spot price formation
- Theory of storage and forward curves
- Price discovery in Futures markets
- Shipping and freight markets
- The role of indices
- Metals markets
- The role of the LME
- Energy markets
- Coal and its bright future
- Gas markets and their segmentation; the role of LNG

Presenter:

Helyette Geman: Professor of Mathematical Finance Birkbeck, University of London, ESSEC Business School & Member of the Board of the UBS Bloomberg Commodity Index

Day 2: Structured Products and Advanced Topics

- Modelling commodity prices
- Is mean - reversion dead?
- When are trajectory jumps necessary?
- Inventory and price Volatility
- Exchange and spread options in commodities
- Application to the valuation of an aluminium smelter or a CCGT
- The key role of Asian options in shipping and energy markets
- Commodity structured notes
- Valuation of CCOs: avoiding the terminology pitfalls

Presenter:

Helyette Geman: Professor of Mathematical Finance Birkbeck, University of London, ESSEC Business School & Member of the Board of the UBS Bloomberg Commodity Index

Day 3: Agricultural, Biofuels, Electricity & Carbon Markets, CCOs & Volatility

- **Agriculture and Biofuels Trends**
- **Agriculture prices in the context of global commodity sector**
- **Collateralised Commodity Obligations**
- **Commodity CDO structures**
- **Enhancing Total Commodity Returns**
- **Understanding Commodity Volatility**
- **Enhancing Commodity Beta Using Volatility Strategies**
- **Electricity & Carbon Markets**
- **Understanding the Long-term and Short-term Drivers of Power Prices**
- **Volatility and Risk Premium models**
- **Estimation of Seasonality, Common Time Factor and Term Premium**

Presenters:

Francisco Blanch: Head of Commodities Research, Merrill Lynch
Alexander Boogert: Senior Quantitative Analyst, Essent Energy Trading
Derek Bunn: Professor of Decision Sciences, London Business School
Kimon Gkomozi: Associate Director, Standard & Poor's
Gustavo Soares: Commodity Strategist, Merrill Lynch
Stephan Wrobel: Founding Partner and CEO of Diapason Commodities Management

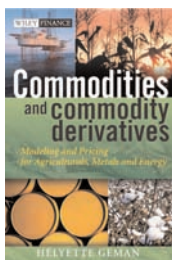
Day 4: Base Metals, Coal, Gas & Oil Markets

- **Fundamental Trends in Commodity Markets (Base metals and oil)**
- **The relationship between costs and prices**
- **The long and short of it: Key drivers of base metals**
- **Oil, Gas & Coal Prices Within the Framework of a Co-integrated VAR Model**
- **Valuation and Operational Management of Gas Supply Contracts**
- **Numerical valuation**
- **From supply contracts to storages : gas derivatives hedging**

Presenters:

Allan Bødskov Andersen: Head of Risk & Model Development Energy Markets, DONG Energy
Olivier Bardou: Project Manager Research and Development Division, Gaz de France
Robin Bhar: Base Metals Strategist, UBS
Kevin Norrish: Head of Commodities Research, Barclays Capital

All delegates will receive a complimentary copy of the following Wiley 2005 publication:



**Commodities and Commodity Derivatives:
Modelling and Pricing for Agriculturals, Metals and Energy**

By Hélyette Geman

Day 1: Trading Commodities: The Crucial Understanding of Spot and Forward Markets:

Helyette Geman - Birkbeck, University of London, ESSEC Business School & UBS Bloomberg Commodity Index

- Demand, supply and price formation
- Inventories as a key specificity of Commodities markets
- Theory of storage and the shape of Forward curves
- Why electricity is different from the start
- Futures Markets and Price discovery
- Shipping and freight as an Asset class in its own right
- The role of indexes in the trading of Forward Freight Agreements

- Metals Markets
 - The gigantic multipliers in copper, nickel and zinc prices
 - The role of the LME
 - The particular role of gold as the numeraire currency
 - Uranium

- Energy Markets
 - Coal and its bright future
 - Gas markets and LNG as an arbitrage instrument
 - Oil markets: have we passed Peak Oil?

Case Study:

Seasonal and Stochastic Effects in Commodity forward curves: the Borovkova - Geman model

Revisiting Amaranth

Contrasting Crude oil and Natural gas forward curves

Day schedule:	09:00 – 17:00
Break:	10:30 – 10:45
Lunch:	12:30 – 13:30
Break:	15:15 – 15:30

Day 2: Structured Products and Advanced Topics:

Helyette Geman - Birkbeck, University of London, ESSEC
Business School & UBS Bloomberg Commodity Index

- **Modelling commodity prices**
 - Is Mean - Reversion dead?
 - When are trajectory jumps necessary?
 - Inventory and price Volatility
- **Exchange and spread options in commodities**
 - Application to the valuation of an aluminium smelter or a CCGT
- **The key role of Asian options in Shipping and Energy markets; the Geman - Yor model and accuracy of the Greeks**
- **Swing options and their unique valuation difficulties**
- **Commodity Structured Notes**
- **Valuation and Hedging of CCOs: why they have little to do with CDOs**
- **Investing in Commodities: ETFs vs Certificates vs Shares of Mining companies vs Indexes**

Case Study:

Building a Commodity Index for Investment purposes: The choice of the components, the Scale dimensionality and the Maturity dimensionality.

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Day 3: Agricultural, Biofuels, Electricity & Carbon Markets, CCOs & Volatility

09:00 – 10:30 / Agriculture and Biofuels Trends: Stephan Wrobel,
/ Diapason Commodities Management

- Agriculture prices in the context of global commodity sector
- The forces at work in agriculture
- Food, Feed, Fuel the coming battle

10:30 – 11:00 Break

11:00 – 12:30 / Smarter Beta and Volatility in Commodities:
/ Francisco Blanch & Gustavo Soares, Merrill Lynch

Part I. Enhancing Total Commodity Returns

- Optimizing roll yields (capturing a "convenience yield premium")
- Shifting roll windows (exploiting quantitative inefficiencies)
- Rebalancing (leveraging short-run mean reversion properties)
- Reweighting (increasing exposure to higher yielding assets)
- Leveraging volatility (using volatility to enhance returns)
- Capturing seasonality (avoiding seasonal negative roll yields)
- Enhancing cash (shifting T-bills into higher yielding instruments)

Part II. Understanding Commodity volatility

- Physical inventories and price volatility
- Implied vs. realized volatility in commodities
- The term structure of volatility in commodity markets
- Call/put skews in the commodity markets
- Key differences between energy, metals & agriculture volatility
- Exotic options in commodity markets
- Enhancing commodity beta using volatility strategies

12:30 – 13:30 Lunch

13:30 – 14:30 / Commodity CDO Structures:
/ Kimon Gkomozi, Standard & Poor's

- Market Outlook
- CCO structure
- S&P rating methodology
- S&P commodity modeling approach
- S&P backtesting approach
- Further Developments

14:30 – 15:45 / Understanding the Long-term and Short-term
/ Drivers of Power Prices:
/ Derek Bunn, London Business School

- **Convergence and Cyclicity in the Longer-term**
- **Nonlinear drivers in the short-term**
- **Volatility and Risk Premium models**

15:45 – 16:00 Break

16:00 – 17:30 / Forward Curve Decomposition: The Interplay
/ between Seasonality, Common Time Factor and
/ Term Premium:
/ Alexander Boogert, Essent Energy Trading

- **One-step estimation of three different components of the forward curve**
- **Impact of assumptions on seasonality on term premium and vice versa**
- **Empirical results on two different electricity markets**

Day 4: Base Metals, Coal, Gas & Oil Markets

09:00 – 10:30 / Fundamental Trends in Commodity Markets
/ (Base Metals and Oil):
/ Kevin Norrish, Barclays Capital

- What has changed in commodity markets
- Separating the funds from the fundamentals
- The relationship between costs and prices
- Fundamental input to trading strategy

10:30 – 11:00 Break

11:00 – 12:30 / Stronger for Longer: Robin Bhar, UBS

- The long and short of it: Key drivers of base metals
- Demand, demand, demand.....
- But where is the supply response?
- Investor appetite - a new dynamic?
- Key trends in:
 - Copper
 - Aluminium
 - Nickel
 - Zinc

12:30 – 13:30 Lunch

13:30 – 14:30 / A Multivariate Model for Spot Prices of Crude Oil,
/ Natural Gas, and Coal:
/ Allan Bødskov Andersen, DONG Energy

- Simulation of spot fuel prices over a 5-year horizon
- Long horizon risk assessment
- Linking fuel price levels
- Co-integration techniques

14:30 – 15:00 Break

15:00 – 16:30 / Valuation and Operational Management of
/ Gas Supply Contracts:
/ Olivier Bardou, Gaz de France

- Supply contracts and the European gas markets
- Numerical valuation
- Management of operational risks
- From supply contracts to storages : gas derivatives hedging



Event Fees:

- Any One day: £999 + UK VAT
 - Any Two days: £1798 + UK VAT
(Including £200 Discount)
 - All Three days: £2697 + UK VAT
(Including £300 Discount)
 - All Four days: £3596 + UK VAT
(Including £400 Discount)
- 30% discount for Academic delegates

Delegate details:

Company:	
Name:	
Position:	
Name:	
Position:	
Name:	
Position:	
Department:	
Address:	
Country:	
Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:

All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

Complimentary inbound transfer service:

WBS Training now extend our premium service to all our clients. This includes a complimentary inbound transfer from London airports to central London hotels for all workshops. If you require this service simply inform us up to 2 working days prior to your arrival (flight number, arrival time, airport and hotel destination) and we will arrange a complimentary pick up. You will be given a phone number to call on arrival and will be greeted at the airport by our partner taxi company.

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By completing of this form the client hereby enters into a agreement stating that if a cancellation is made by fax or writing within two weeks of the event date no refund shall be given. However in certain circumstances a credit note maybe issued for future events.

Prior to the two week deadline, cancellations are subject to a fee of 25% of the overall course cost.

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