

Topics:

Day 1: Risk Management in Commodity Markets: from Shipping to Agriculturals and Energy

- **Spot and Forward Commodity Markets: Back to the Future**
- **Inventory and Commodity Price Volatility**
- **Metal markets**
- **Zinc, copper, nickel, lead**
- **Energy Markets**
- **Crude Oil prices as a World Market**
- **Modelling the dynamics of Commodity Forward Curves: Seasonality and Stochasticity.**
- **The Borovkova-Geman model**

Day 2: Risk Management in Commodity Markets: from Shipping to Agriculturals and Energy

- **Financial and Physical Options in Commodities - Investing in Commodities**
- **Electricity and its Unique Features**
- **The Carbon Market and some issues around it**
- **Zinc, copper, nickel, lead**
- **Increasing correlations across Commodity Classes**
- **Increasing volatilities in Commodity Spot and Option prices**
- **Investing in Commodities**
- **Commodity Structured Notes and ETFs**

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: Exotic & Hybrid Commodities and Carbon Derivatives

- **Carbon Trading and Analytics**
- **The economics of carbon market mechanisms**
- **Carbon price drivers and analytics**
- **Hedging carbon exposure and monetizing carbon assets**
- **Exotic Commodity Options**
- **Exotics arising from Physical Commodity trading**
- **Valuation and Hedging of Commodity Options**
- **The impact of correlation on commodity exotics**

Presenters:

Arvind Hariharan: Head of Commodities Hybrids and Exotic Trading, Standard Bank

Marcelo Labre: Global Head of Analytics & Carbon Structuring Expert, Standard Bank

Delegates only attending days 1 and/or 2 will receive a complimentary copy of the Wiley 2008 publication:
Risk Management in Commodity Markets: from Shipping to Agriculturals and Energy by Professor Helyette Geman

Day 1: Risk Management in Commodity Markets: from Shipping to Agriculturals and Energy:

Helyette Geman, Birkbeck, University of London

Spot and Forward Commodity Markets

- **Price Formation in Commodities: Have New Players Changed the Rules?**
- **Theory of Storage and Forward Curves**
- **Inventory and Commodity Price Volatility**
- **The role of Shipping markets: the Remarkable Spikes in Freight indices**

Metal Markets

- **Zinc, copper, nickel, lead**
- **The rules of the London Metal Exchange**
- **Precious metals: Is Gold Keeping its Dual Role?**

Energy Markets

- **Coal and its large Reserves**
- **Natural Gas markets ; the Role of Seasonality**
- **Crude Oil prices as a World Market**

Case Study

- **Modelling the dynamics of Commodity Forward Curves: Seasonality and Stochasticity.**
- **The Borovkova- Geman model**

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

Day 2: Risk Management in Commodity Markets: from Shipping to Agriculturals and Energy:

Helyette Geman, Birkbeck, University of London

Financial and Physical Options in Commodities – Investing in Commodities

Part 1

- Electricity and its Unique Features
- The Carbon Market and some issues around it
- Agricultural Commodities: the Old and the New
- Ethanol and Biofuels Revisited
- Water as the next commodity

Part 2

- Increasing correlations across Commodity Classes
- Increasing volatilities in Commodity Spot and Option prices
- Spread options in Commodities: crush spreads, sparksreads, darkspreads
- Valuation of Physical Assets in the Commodities space

Part 3

Investing in Commodities

- The major Commodity Indexes
- The choice of weights, rebalancing rule and time to maturity of the Futures
- The importance of the shape of the forward curve in the roll yield

Commodity Structured Notes and ETFs

Investing in Shares of Oil and Mining companies

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Day 3: Exotic & Hybrid Commodities and Carbon Derivatives

09:00 – 12:30 / Carbon Trading and Analytics:
/ Marcelo Labre, Standard Bank

Science, Policy and the Carbon Economics

- The climate change issue, human-made greenhouse gas emissions in perspective
- Initiatives to mitigate climate change
- Organizations, agreements and policies in place
- The economics of carbon market mechanisms

Carbon Markets, Trading and Analytics

- Cap-and-trade and baseline-and-credit market mechanisms
- Instruments and platforms for trading carbon
- Carbon price drivers and analytics
- Hedging carbon exposure and monetizing carbon assets

10:30 – 11:00 Break

12:30 – 13:30 Lunch

13:30 – 17:00 / Exotic Commodity Options:
/ Arvind Hariharan, Standard Bank

Exotic Commodity Options

- Basic types of Commodity Options and their Origins
- Exotics arising from Physical Commodity trading
- Carbon credits: The issue of deliverability and its valuation

Valuation and Hedging of Commodity Options

- Traditional Derivative models and their applications to Commodity Exotics
- The efficient Vega Hedge and a practical method of minimizing the impact of a skew on hedging complex derivatives
- The impact of correlation on commodity exotics

15:00 – 15:30 Break

Workshop Fee:

- Any One day: £1099 + UK VAT
- Any Two days: £1998 + UK VAT
(Including £200 Discount)
- All three days: £2997 + UK VAT
(Including £300 Discount)

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