

Natural Gas & Electricity Trading

Market Risks & their Operational Management

2 days
Overview

TEG-EN-P

LEVEL

Skilled

PURPOSE

This training provides participants a global and synthetic view on the risk management of the various trading activities of gas and electricity.

LEARNING OBJECTIVES

Upon completion of the course, participants will be able to:

- assess the risks associated with each phase of the gas trading and electricity,
- understand the different hedging tools of the financial markets and assess their efficiency and limits,
- put in place means of detecting, measuring and controlling the risks through a proper trading organization (procedures, segregation of duties),
- implement control measures, including market risk and credit risk.

WAYS AND MEANS

Case studies and examples.

LEARNING ASSESSMENT

Participants will be evaluated during the training through case studies.

PREREQUISITES

Basic notions of Microsoft Excel.

Agenda

MARKETS

Main features of gas and electricity markets.

0.5 d

RISK MANAGEMENT

Basic statistics.
Risk typologies:
Credit risk.
Market risk.
Operational risk.
Value at risk.

0.5 d

HEDGING & MODELING

Nature.
Products:
Futures, forwards, swaps, options.

0.5 d

CASE STUDIES

0.5 d

Compute sensitivities on a gas procurement contract.

Compute the V@R of the contract using Monte Carlo and parametric methods.