



ICE Education

International Oil Trader Academy - Virtual Delivery

ICE Futures Europe, London

ICE Education and IBH have combined their expertise to provide an innovative and practical programme covering all aspects of the physical crude oil, products and traded derivatives market through our market leading Oil Trader Academy.

With the global oil markets being subject to extreme volatility and change due to a series of geopolitical events, this is the ideal time and opportunity to understand the drivers of oil price movements and tools at your disposal to protect against and trade around your organisations market position.

As an outcome from the course you will:

- Review crude oil supply, demand and products
- Understand crude oil refining, evaluation and selection
- Explore physical and derivative oil markets, shipping and contracts
- Appreciate pricing formation, trading and price risk management
- Learn about futures, swaps, options and over-the-counter markets
- Become familiar with trading techniques and terminology
- Participate in trading and hedging simulation exercises and improve negotiation skills

Who is the programme for

This programme will appeal to: oil and product traders, refiners, economists, analysts portfolio managers, risk managers, operations managers, brokers and other related front, middle and back office staff.

Core Structure

Module 1

Physical crude & products trading

6,7,9 & 10 September 2021

Start Time: 08.00 GMT, 12.00 Dubai,

16.00 Singapore

End Time: 14.00 GMT, 18.00 Dubai,

22.00 Singapore

Module 2

Trading simulator, paper trading & price risk management

13,14,15 & 17 September 2021

Start Time: 08.00 GMT, 12.00 Dubai, 16.00 Singapore

End Time: 13.00 GMT, 17.00 Dubai, 21.00 Singapore

MODULE	STANDARD RATE
MODULE 1	£2,500 + VAT
MODULE 2	£2,500 + VAT

FULL COURSE — ALL PARTS

£4,795 + VAT

Trainer biographies

Chris Heilpern

Chris Heilpern traded oil and energy in Europe, Africa, the Middle East and Asia during a career that spanned eighteen years. He has worked for an oil major, a top trading company, and investment banks. He has extensive experience in supply and trading for refining systems as well as the challenges of running proprietary physical trading books in Europe, Africa, and Asia. His experience was rounded out with several years of trading derivatives for investment banks in the Asia-Pacific region. Since leaving trading in 2008 Chris has taught finance and trading at top French business schools, presented corporate training in commodities and energy in France and abroad, and consulted with top European companies on trading and contract arbitration. He is bilingual in French and English and resides in the South of France.

John Fry

John Fry has worked in the energy markets since 1986 when he joined Man International as a broker on the oil desk. He specialised in futures and options and qualified as a trader in the IPE option pit. He executed the first principal OTC oil deals for Man and became head of the energy desk in London. John moved over to the OTC energy market in 1997 and worked for Koch Petroleum Group helping to develop their energy derivatives business.

Steve Deighton

I have over 25 years of experience in the Energy Trading business. I traded for 12 years in the UK and the US, mainly for BP, but also had experience with an American utility company, LG&E, running their Nat Gas and Electricity Options Trading Book and with Barclays Derivatives Team back in London. After returning to trade at BP I moved on to become a Trading Manager for Light Ends and then the Crude Oil Team.

I then switched to become Director of Learning & Development for BP's Integrated Supply and Trading Business in London, taking over the Trader Graduate Programme. I created BP's Trader Training School and also ran training courses around the world for key customers.

Steve Jones

Steve has over 20 years experience working in the oil and gas industry, within the back, mid and front office. As an Equity Crude and Gas trader at BP he helped build a complex portfolio of trading books based in Germany. Steve has extensive experience developing risk management reporting, trader exposure and profit and loss systems for various clients. He has been a key participant in the design and development of simulation based trader training programmes.

Module 1: Physical crude oil & products trading

Day 1 — Fundamentals of the Oil Industry

Demand in the oil industry

- Demand drivers
- Changes and developments

Supply in the oil market

- Natural resources
- Unconventional supply
- Shale revolution

Oil refining

- Necessary link in the industry
- Types of refineries
- Economic challenges

A word on opec

Day 2 — Overview of Trading

Contract types

- Spot / Term / Forwards / Futures
- FOB vs CIF

Trading crude oil

- Choices in the industry
- Who we are defines how we trade

Risk in oil trading

- Contracts to manage risk
- Clauses and their value

Benchmarks & pricing

- Contango and backwardation
- The value of the differential
- The OSP and the risk in trading

Day 3 — Shipping

Overview of the shipping industry

- Vessel sizes and trading choices
- Vessel acceptability
- Costs and ownership

Charterparty types

- Spot / Single Voyage
- Term charter

Worldscale and freight calculations

Day 4 — Crude Oil Pricing and Moving Oil from A to B

- The Brent complex
- Brent price relationships

Managing price risk in crude trading

- Understanding exposure
- Using futures
- Swaps (CFD's)
- Making a price in crude oil trading

Day 5 — Products Trading

- Differences between crude and products trading
- Refining as a source of products
- Quality issues in products markets

Price creation in product markets

- Trading the arbitrage
- Locational value
- Understanding import and export parity

Making prices in products markets

- Crack values

Module 2: Trading Simulation, Paper Trading & Price Risk Management

Day 1 — Understand What Drives Futures and Physical Cargo Prices

Oil markets and flat price trading

- How we trade: Fundamentals and Supply/Demand
- Current Macro Oil Fundamentals
- Relationships between Oil prices and FX/Equities
- Terminology and Simulation System Introduction

Brent futures trading simulation*

- Buy and Sell Brent futures within a specified Trading Limit
- Interpret fundamental news stories and observe price trends

Trading best practice

- Trading best practice and discipline
- Useful trading rules

Physical crude trading

- How Crude Oil is produced and exported
- What determines the value of different Crude Oils
- How Crude Oil is priced and traded, benchmark pricing

Physical crude cargoes trading simulation*

- Buy and Sell cargoes of North Sea and West African Crude Oil
- Understand how refinery yields affect Crude differentials
- Appreciate the importance of liquidity in physical Crude markets

Physical products, freight and FOB/CIF

- What are Refined Products and their main uses
- How are Products priced and traded
- Understand Worldscale and Freight rates
- How to trade Products cargoes on a FOB and CIF basis

Physical products trading simulation*

- Manage a portfolio of physical Products longs and shorts
- Negotiate and enter deals, book ships, manage cargo movements

Day 2 — Refining, Spreads and Arbitrage

Introduction To Refining

- Basic Crude distillation and complex refining
- Refinery Optimisation activities
- Calculate Refinery margins and Crude pecking orders

Refining simulation*

- Manage a Refinery: Buy Crude and sell Products cargoes
- Calculate Refinery margins and adjust run rates accordingly
- Optimise your Refinery, switch Crudes as prices change

Introducing spreads; geographies & arbitrage spreads

- What are spreads and how are they calculated
- Why do traders use spreads
- Regional supply/demand and its effect on spreads
- Spread trading strategies

Gas oil/diesel arbitrage spreads simulation*

- Trade the futures spread between Europe and U.S.
- Understand the impact of local supply/demand and physical arbitrage

Arbitrage and worked example

- How to calculate and identify Arbitrage opportunities
- Relative volatilities: Futures, Cargoes and Freight
- Using futures to hedge Arbitrage movements
- Use of a spreadsheet to calculate and monitor Arbitrage values
- Placing an Arbitrage trade: Volatility, liquidity and order of trades

Global crude arbitrage simulation*

- Calculate Arbitrage opportunities across a portfolio of Crude Oils
- Place all the trades necessary to Arbitrage Crude Oil cargoes
- Deal with a wide variety of pricing scenarios; Dated Brent, WTI, Dubai; Fixed and Floating

Day 3 — Time Spreads, Storage Strategies and Technical Trading

Time spreads and backwardation/contango

- Time Spreads
- Market structure - Contango/Backwardation
- Complex Strategies; Butterflies, Condors and Boxes

Time spreads simulation*

- Trade up to 3 different spreads on European Gas Oil
- Understand how spreads react to fundamental news

Storage valuation and optimisation

- Contango markets: What do “carry” and “full carry” mean
- Valuing Storage and hedging Storage trades
- Optimising Storage: Intrinsic and Extrinsic value

Storage optimisation simulation*

- Use futures to manage a portfolio of physical oil and tankage
- Move oil in and out of storage as you react to market structure
- React to the volatility of time spreads and maximise extrinsic value

Trading futures using technicals

- Why use technical trading
- Common indicators used in technical trading; Trendlines; Moving Averages; Line/Candlesticks/Bar/Point & Figure; Continuation and Reversal signs; Volume and Open Interest
- Examples of Technical Trades in current markets

Technical charting simulation *

- Trade technicals using chart analysis; trendlines, candlesticks and moving averages
- Spot trends and use indicators to identify trade entry/exit points

Physical crude cargoes trading simulation*

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Physical products, freight and FOB/CIF

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- How are Products priced and traded
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Physical products trading simulation*

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Day 4 — Floating Prices, Hedging and Swaps

Hedging

- What is meant by a floating price
- Understanding floating prices based on Dated Brent
- Calculating the daily hedge, and forward pricing profiles
- Managing pricing risk on a portfolio of trades

Hedging physical cargoes simulation*

- Respond to new trades and manage the basic daily hedge
- Adjust hedges as BL dates and quantities change

Swaps and hedging spread exposure

- What is a swap, and how are they traded
- Using swaps to manage risk and create trading strategies
- Differential swaps and CFD's
- Managing spread exposure when hedging

Hedging with swaps simulation*

- Respond to new trades and manage a complex daily hedge
- Charter vessels and match arbitrage trades
- Use swaps, CFDs and futures contracts to manage risk

Hedging refinery margins

- How to hedge a refinery margin with swaps and futures
- Cracks - Exchange traded and OTC crack spreads

Hedging refinery margins simulation *

- Manage an advanced refinery portfolio
- Anticipate the impact of news and price on margins
- Hedge and speculate on refinery margins

Day 5 — Options, Complex Spreads and Physical Cargoes

An introduction to options

- Options basics; Inputs to the premium and pricing
- How can we value an Option?
- Time & Volatility
- The greeks
- Options trading strategies

Multi-spreads trading simulation *

- Entrepreneurially trade any combination of Global spreads and cracks; crude and products
- Options are available if you wish to practise adding them to your portfolio

Equity crude trading simulation *

- Work in a team to manage an Equity Crude based trading portfolio
- Sell equity crude cargoes looking for best value, considering arbitrage and storage
- Manage term purchases and sales
- Look for additional entrepreneurial opportunities

*Denotes simulation based practical

Further information

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