

Overview of Oil Trading and Price Risk Control

Oil trading and managing price risk strategies.

Introduction

Among the most valuable resources in the world are crude oil and petroleum products. The global economy is mostly driven by the fossil fuel sector. Every country's economic activity depends heavily on crude oil and the petroleum products made from it. In addition to being the world's main fuel source, petroleum is utilized in the production of thousands of everyday goods such as petrochemicals, medications, cosmetics, and hundreds more.

The goal of this Overview of Oil Trading and Price Risk Control training course is to provide you a thorough grasp of the physical and financial markets for petroleum products and crude oil. A thorough analysis of the oil industry's economic structure is conducted, with special attention to the economic downturn brought on by pandemics. Furthermore, as the oil sector confronts obstacles, the effect of the shale industry and new rules aimed at reducing carbon emissions will be assessed on the countries that produce and use oil.

This training session on Course N Carry will emphasize:

- Physical trade of petroleum products and crude
- Techniques for market prices
- Ideas in the trading of oil
- Mechanism for determining the price of petroleum products
- Trading in futures and exchanges
- Alternatives and swaps for derivative products

Objectives

After completing this course on Overview of Oil Trading and Price Risk Control, you will be able to:

- Examine the various oil trading marketplaces according to the kind of transaction.
- Examine the various contract kinds, including forward, spot, and long-term.
- Recognize the trading of crude oil and petroleum products.
- Recognize how crude oil and petroleum products are priced.
- Understand the hedging strategies that are available to hedge against price changes.
- Recognize the fundamentals of financial derivatives such as options and swaps.

Training Methodology

Using a range of tried-and-true adult learning teaching and facilitation strategies, the tutor will provide participants in this Overview of Oil Trading and Price Risk Control training course with a complete knowledge of the topics covered in the course outline. Active discussions, case studies, and PowerPoint presentations are all part of the training course methodology.

Organizational impacts

Employees of the company will be more adept at evaluating and analysing the markets for crude oil and petroleum products, as well as the structure of the financial and physical markets, after completing this training program. We will do a thorough analysis and study of the trade and pricing of crude oil and its derivative products.

The company will learn more about:

- The financial basis of the actual futures markets
- The way the financial and physical oil markets function
- The effects of the shale sector
- Trends in carbon trading and emissions
- Trading in crude oil and petroleum products
- Mechanisms for setting the price of petroleum products

Personal Impact

The following areas will enable participants to get in-depth knowledge with strong practical application:

- Various tactics in the global oil trade
- Investing in the oil markets
- The marketplaces for spots
- Fundamental economics of refining
- Mechanism for determining the price of petroleum products
- Options, swaps, and derivative goods

Who should attend?

All employees in the petroleum or related sectors who wish to increase their knowledge and comprehension of crude oil and petroleum products, trade, and pricing systems are the target audience.

A wide range of professionals can benefit from this Course N Carry training course, but the following are particularly noteworthy:

- Everyone working in the petroleum or related sectors who wants to get a better grasp of the procedures involved in the trading and pricing of crude oil and petroleum products

- Economists that specialize in petroleum
- Students studying oil and gas business
- Journalists and reporters covering the energy sector
- Businessman and Financiers
- Brokers and Traders

Course Outline

Day 1

Overview of Crude Oil as a Limited Resource

- Overview of the Upstream Petroleum and Gas Sector
- Reserves of Oil and Gas, Production, Use, and Trade
- The Effects of the Shale Sector
- Trends in Carbon Trading and Emissions
- Fundamental Refining and Complexity of Refining
- Streamlining Finance

Day 2

The going rate

- Various Techniques
- Global Petroleum Trade
- The Crude Oil Pricing System's Anatomy
- The Costs of Crude Oil
- Risk management through hedging

Day 3

Foundational Ideas in Oil Trading

- Dealing with the Petroleum Markets
- Spot Markets
- Spot Prices for Crude Oil
- The Market for Brent
- Crude Oil Price Indexing

Day 4

Mechanism for Setting Prices for Petroleum Products

- How Do Prices Get Reported?
- The Markets for Physical Futures
- The Markets for Financial Futures
- The Evolution of the Petroleum Exchanges Throughout History
- Futures Contracts
- Pricing Schemes: Contango and Backwardation
- The Futures Markets' Limitations

Day 5

Derivative Goods: Options and Swaps

- The Meaning of An Option
- The cost of an Option
- The Meaning of a Swap
- The Evolution of the Petroleum Exchanges Throughout History
- USA, UK, and Singapore