



CHANNOIL CONSULTING LTD

OIL TRADING & RISK MANAGEMENT IN A COVID-19 ENVIRONMENT

An interactive session running over two mornings in June / early July 2020.

Book now to secure your place!

Covid-19 has turned the world of oil trading and risk management upside down.

How are you managing your oil trading business and risks today? What should you be doing now in a world in lockdown and economic crisis?

Get valuable insights from the professionals at Channoil Consulting in an exciting new interactive online training programme.

The world of oil trading and risk management has changed drastically in the last six weeks. Demand has collapsed, storage on land and sea has filled up. Previous demand declines have been easily absorbed by these buffers, but with a quarterly drop of probably 30% this time, we are moving into uncharted waters. The effects are likely to be long-lasting and by the time a more normal situation returns, the world's priorities will have changed.

So, how should you manage your oil trading business risks, what happens next?

To equip you to manage this drastically different new world, we are offering the following highly interactive online training programme:

- To provide an overview of oil trading and risk management techniques.
- Doing this in the context of the current market environment.
- Exploring the following topics:
 - ◇ What risks do I have on my oil business now?
 - ◇ How have they recently changed?
 - ◇ How should I manage them?
 - ◇ How is that different from before the recent Covid-related economic shifts?
- What can I do now that will make a difference to my business?



The programme will start with the basic elements of oil trading risk measurement and management, before moving quickly into the current world, with exercises focussing on how to deal with today's problems.

The course will be delivered online, but with tutoring and facilitation by experienced trainers who are themselves experts from the oil trading and risk management sector.

It will consist of two three-hour teaching sessions, which will contain new training material and will be supplemented by exercises. There will also be a "homework" element, which will be reviewed as part of the second session.

Who might benefit from this programme?

Business managers and seasoned professionals in the sector.

Those seeking guidance on how to manage risk in the current environment.

Banks or professional service providers who deal with the oil trading sector.

Companies who are looking to adopt modern risk management practices across their enterprises.

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Tuesday 30th June: 09:00 am – 12:00 pm (UK time)

&

Thursday 2nd July: 09:00 am – 12:00 pm (UK time)

OUTLINE COURSE CONTENT

SESSION 1—Tuesday 30th June: 0900-1200 UK time

Risk Management in the new context

Setting the scene

- Overview of oil trading
- Overview of hedging and risk management
- The Covid-19 context – old worlds and new worlds
- Exercise - what can history teach us about the present?

Understanding risk

- Price risk
- Basis risk
- Elements of the risk profile: location, quality, timing, etc.
- How is risk managed in your business?
- Exercise – risk modelling

Risk management strategies and options

- Tools:
 - ◊ Using futures
 - ◊ Basis risks
 - ◊ Swaps
 - ◊ Options
- Strategies:
 - ◊ Use of risk management tools
 - ◊ Storage
 - ◊ Arbitrage
 - ◊ Crack spreads

Exercise for Thursday – Risk management strategy for your business

Self Study

- Review presentations and exercises from Session 1
- Work on Risk Management Strategy Exercise

SESSION 2—Thursday 2nd July: 0900-1200 UK time

Advancing a new risk management programme

Review of exercise from previous session

- Insights from the group

Risk management in the Covid-19 context

- What has changed:
 - ◊ Storage full
 - ◊ Demand weak
 - ◊ Crude prices on the floor
 - ◊ Inflation goes to deflation
 - ◊ Interest rates at historic lows so maybe working cap more flexible
 - ◊ Financial risk appetite very low
- What is the impact on hedging strategy:
 - ◊ For oil producers
 - ◊ For refiners
 - ◊ For suppliers
 - ◊ For consumers of fuel

Building a risk management strategy

- Being clear about identifying and measuring your risk
- Deciding how much risk you want to keep and how much to “manage”
- Deploying risk management that fits your business

Taking the programme back into your business

- What is the “value add”
- Selling the programme into your organisation

Closing summary

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COURSE LEADERS



Richard Johnstone is an independent consultant with over 30 years' commercial and management experience in major oil industry organizations including BP, Kuwait Petroleum, BNOOC and BG Group. He left BG in 1997 to set up his own consultancy.

Richard is a principal lecturer for Mennta Energy (formerly the Oxford-Princeton Programme) and the Cass Business School, London.

He has designed and delivered training programmes and seminars on all aspects of oil markets, supply and trading in Europe, Africa, North & South America, Asia and the Former Soviet Union.



Mark Waddington is a bilingual senior downstream oil professional with over 30 years' experience of refining, trading, supply and commercial sales. Mark worked for 21 years at BP in a variety of commercial roles in refining, trading and marketing.

After BP, Mark worked at Argus Media and World Fuel Services.

Mark leads projects for Channoil on strategy and commercial development in downstream fuels, commercial due diligence, supply chain transformation and bankable market studies. He has extensive recent knowledge of the UK fuels supply chain and European biofuels markets.

He is a regular lecturer at Cass Business School, London.



Andy Mills has been actively involved in energy trading and risk management for over 25 years. After graduating from the Leeds University, he joined BP, working in various supply and trading functions before leaving to join Engen Petroleum, the South African refiner based in London as an energy trader before moving onto UBS in a similar role.

He then joined RWE, a largest European Utility company as Head of Oil, Agricultural Products, Biofuels and Gas pricing risk management, which he ran very successfully for 12 years. He then joined hedge fund Graham Capital, to set up and run their energy trading. In the last three years Andy has worked with a number of brokers and trading companies advising them on business development and energy trading business set up, as well as designing courses for risk management and accessed trader training. Andy is now a full-time energy trading and risk management consultant.

REGISTRATION

To register, please send below details to Kirsten Dibley: k.dibley@channoil.com

- ◆ Name, Company & Position
- ◆ Contact e-mail & telephone
- ◆ Address & contact e-mail for invoicing

The fee for this two-session programme is £700 per participant.

- **A 10% discount** available to ADDITIONAL participants from the same organisation.
- **An early bird discount of 10%** available for INDIVIDUAL registrations received by Wednesday 20 May 2020.

Please note: the closing date for registration is Thursday 11 June 2020.



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