VIII LONDON OIL TRADERS SUMMER SCHOOL 2011

1 – 19 August 2011, London, UK

EDUCATION FOR LEADING OIL TRADERS

Confidence Capital's London Oil Traders Summer School is essential training for traders, oil-company managers, commercial directors and operations executives.

THE CONCEPT

The concept – an intensive summer educational programme examining in depth the world of trading in oil, oil products, gas and energy derivatives – was developed and introduced in 2004 and has been continuously improved to meet the demands of the market. The programme is created and improved by experts who are directly involved in energy trading and operational support.

A STATE-RECOGNISED PROFESSIONAL EDUCATION QUALIFICATION

Confidence Capital's London Oil Traders Summer School is a key element in the Russian Ministry of Energy's International Oil Trading and International Oil-Products Trading professional education programmes, attesting to its high quality. On completion of the Summer School, participants receive a state-recognised certificate.

APPLIED KNOWLEDGE

The programme does not just introduce participants to the basic principles of trading in oil, oil products and derivatives, but also includes enormous amounts of information on market sectors, specific products and geographical regions, as well as the specific skills needed in day-to-day work.

The programme looks in detail at both the market and at the specifics of trading in oil and individual oil products: specifications, type analysis and quality parameters, where it can be produced, the details of logistical organisation, instruments used to manage risk when trading physical product, and major traders and end users.

WE OFFER NOT JUST BASIC MODELS AND PRINCIPLES, BUT SPECIFIC, APPLIED KNOWLEDGE THAT CAN BE PUT STRAIGHT INTO PRACTICE

About the organisers

Confidence Capital was founded in 1994. The Company's mission is to provide information and consulting services to the oil and gas sector. We help clients to enter new markets, and our events are the perfect way to exchange knowledge of the sector.

Today the company is active in a number of areas in international fuel and energy markets: organisation and running of specialised conferences and training, oil products trading, brokerage, analysis, consulting and pipe technologies.

Praise for the 2010 Summer School

Everything was at a high level, from the registration to the presentation of the certificates. I liked the interesting mix of theory and practice. Particularly interesting and useful were the parts about price risk in oil trading. The knowledge I obtained can be put directly into practice. Tan Hok was an outstanding lecturer. His deep and personal approach made it possible to go beyond what was originally included in the programme.

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PARTICIPANTS IN THE LONDON OIL TRADERS SUMMER SCHOOL WILL DISCOVER:

- how to work with vertically integrated companies;
- how crude oil is transported;
- how to buy particular products, how to assess quality and establish a price, how to transport and tranship it, and who to sell to;
- how to finalise contracts, which legal regimes to use, and which arbitration and jurisdictional clauses to use and why;
- how to finance operations, how to open bank accounts, how to deal with accreditation (documentary/guarantees), how to obtain bank resources for hedging, and how to avoid pressure on cash flows;
- how to correctly determine pricing risk and VAR on specific deals, how to choose hedging instruments, and how to calculate load margins;
- how to work with railways, how to use the fleet, how to work with freight-forwarders and carriage operators, the advantages and risks of optimisation and forwarding schemes, and "break-up rates";
- how to work with terminals and transhipment, understand and calculate the cost of storage, and legal and procedural aspects;
- how to charter tankers and understand freight contracts, understand the tonnage market, and minimise downtime and demurrage.

MARKETS	OIL PRODUCTS	ASPECTS
North-West Europe Baltic Mediterranean and Black seas Ukraine Russia Kazakhstan Caspian China Afghanistan Middle East US Canada	Diesel Motor petroleum Straight run benzenes Fuel oil and feedstocks	- **Keys:** Basics of trading in oil and oil products Arbitrage trading Transportation and logistics Oil processing from an oil trader's point of view Quality of oil products Financing trade operations Operational support for deals Market analysis - **Management and marketing:** Reserves management Risk management Management of trading divisions Advanced trading strategies

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COURSE PROGRAMME

MODULE S1.

TRADING IN PHYSICAL ENERGY PRODUCTS AND DERIVATIVES

Specifics of oil trading

Main global producing regions and reserves: Brief overview of reserves, extraction volumes, and development prospects in terms of exploration, development and bringing on-stream of highest-potential projects

- Existing and potential fields in Russia; Setting prices for oil on the domestic and export markets; Major markets and export routes.
- Reserves and potential fields in Kazakhstan; Domestic oil market and refining; How will Kazakhstan's oil market change with the introduction of open trading as part of the Customs Union? Export to foreign markets; Major export markets, exporters and volumes.
- Caspian oil – major producers and exporters; Potential projects and timelines for bringing them on-stream; Pricing; Export routes.
- Brief outline of the Middle East as an oil-producing region.
- North America: Canada, US.

Logistical solutions for transporting raw materials

Pricing

Risk management

Overview of the gas market from an oil trader's point of view

Oil products

Diesel market – quality and geography – CIS, EU (north/south), Asia-Pacific. Ukrainian diesel market. Secondary diesel markets – straight-run gas-oil, heating oil. Major production and refining centres. Type analysis of diesel and heating oil. Major transhipment centres in the Baltic and Black Sea. Main trade flows. Major buyers

The market for automobile gasolines – CIS, EU (north/south). Production specifics. Quality standards and type analysis. Major transhipment centres in the Baltic and Black Sea. Main trade flows. Arbitrage opportunities for low-octane benzenes. Major buyers.

Straight-run benzenes (naphtha, pyrolised naphtha). Blending market and the petrochemicals raw-materials market. Demand for different types of naphtha. Naphtha type analysis – PONA, presence of oxygenates.

Fuel oil and feedstock markets Market for straight-run fuel oils, and secondary processes for obtaining release of additional products. Market for cracked fuel oils. Main types of fuel oil and producers in the CIS. Type analyses. Railway and port logistics in the Baltic, Black and Caspian seas. Arbitrage opportunities.

Logistics

Railway to port, storage and transhipment, sea transport

Railway transport in the CIS Carriage fleet – own and Railways Ministry's. Development trends in the rolling-stock market. How the sector works: freight-forwarding, filing procedures, primary and secondary plans. Tariffs. Development prospects for railway tanker transportation.

Pipeline transportation

Sea logistics

Gas trading (LNG/LPG)

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Geographical markets

General overview of the oil and oil-products market: supply and demand, price trends and forecasts.

North-West Europe: own extraction, refining, demand specifics, quality standards, pricing, trade flows and logistical infrastructure.

Black and Mediterranean seas: geography and specifics of refining, import and demand, quality standards, pricing, logistical aspects.

Ukraine – geography of demand, seasonality, quality standards, problems of domestic refining, customs regime, main import markets, market players.

Russian internal market

Kazakhstan's oil market – how will Kazakhstan's oil market change with the introduction of open trading as part of the Customs Union? Export to foreign markets. Major export markets, exporters, volumes.

Caspian region – overview of extraction, main transport flows, ports, tanker tonnage, rail corridors, pipeline projects.

China - geography of demand. Main centres of primary and secondary refining. Main routes and flows of imports of oil and oil products – from the Middle East, Africa, arbitrage loads from the Mediterranean and Baltic to ports in the south and south-west. Imports from Russia via the north-east – tanker and pipeline supplies. Imports from Kazakhstan through Xinjiang – pipeline supplies of oil. Import regulations. Working with feedstocks (straight-run fuel oil, vacuum gasoil) with Chinese refiners.

Afghanistan market overview of diesel oil, auto benzenes, aviation fuel. Demand specifics. Customs regime and duties. Main border crossings. Main market players.

Middle East overview as an extraction region

Overview of the US and Canada Arbitrage opportunities for European traders

Working with CIS markets. Supplies from CIS

Operational aspects

Contracts – legal aspects

Financial aspects. Guarantee mechanisms – accreditations. Difference between standby and documentary. Deal financing.

Quality control

Marketing and reserves management

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MODULE S2.

OIL AND OIL-PRODUCTS TRADING AS AN INTEGRATED PROCESS. FINE-TUNING OF AREAS, CONTRACTS, TRADE FLOWS – POTENTIAL DEVELOPMENTS AND THE SHIFT TO WORKING MODELS. RISK MANAGEMENT IN TODAY'S MARKET. IN-DEPTH LEVEL.

Real-world trading and deals with physical goods, OTC derivatives and futures

- Anatomy of operations with physical oil – uncertainty and choosing options
- Dealing with uncertainty – risks and assessing profits and losses
- From deal to risk-pricing – diagnosis and measurement
- Creating added value when assessing a deal
- General deal types
- Arbitrage dealing
- Optimisation
- Setting up complex deals
- Factoring in risk dynamics when planning trading activity

Assessing price risk – risk analysis before taking management and trading decisions

- Main elements of pricing – futures, forward deals, swaps and trading with physical goods
- Market-on-close methodology and swap pricing – main pricing processes
- Emphasis on defining market fair value
- Mapping indicators – ICE Brent, ICE Gasoil and Eastern Naphtha

Mapping swap-price indicators for Brent and swaps for ICE gasoil

- Factoring in risk dynamics when planning trading activity
- Choosing a development strategy. The flexible approach
- Creating a trading unit and setting it up to suit the development strategy
- Control over traders' activity and use of position limits
- Middle and back office
- Relations between management, traders, operational staff and finance department

From liquidity shortage to liquidity surplus

- Liquidity shortage against risk instruments – the basic facts
- From liquidity shortage to liquidity surplus

Linkages – general and market-linked

- Principles of risk management
- Risk management and choice of strategy
- Hedging, risk management and speculation – an illustrated guide
- Real situations from practical experience of trading companies, oil refineries, marketing departments,
- air shippers and communal services
- Risk-management strategies and examples from real life
- Real-life situation: commercial director, marketing director, refinery director,
- airline fuel-purchasing manager, business development and risk management director
- VAR in brief

Beware of second-hand coverage and stay on the market... Falling into the clutches of financial institutions

Risk management for oil companies – recognising and assessing risks

- Major components of success in risk management
- Internal control processes
- Organisational model and interaction – styles and formats
- Corporate hedging goals
- Limits of trading authority – structure of delegation
- Achieving the highest global standards
- Short overview of current market system
- MAGIC – catastrophes and how to avoid them

Results of trading games

Presentation of certificates

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CONDITIONS AND PRICES

Participation in the full course (120 hours, 3 weeks) – 8495 GBP

Participation in one module (80 hours, 2 weeks) – 4995 GBP

PRICE INCLUDES:

- Participation in lectures and educational programme, as well as technical visits
- Summer School materials on paper and on USB flash drive
- State-recognised certificate of professional qualification and sector certificates from organisers and supporting organisations
- Oral and written translation of materials and lectures into Russian
- Lunches and coffee breaks
- Cultural programme

Visa support

ADDITIONAL ACCOMMODATION

(5* hotel, breakfasts, transfers to/from airport)

Full course (3 weeks) – 2500 GBP

One module (2 weeks) – 1500 GBP

Early-bird discount until 10 June 7%

Applications accepted until 8 July.

Please address questions to the project manager:

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