



## ICE Education

### Crude Oil & Product Trader Programme - (Simulated Trading Based) - Asia

ICE Education and partners have combined their expertise to provide an innovative and practical programme covering all aspects of the physical crude oil, products and traded derivatives market.

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.

#### Who is the course for:

Practical approaches are an important element of the Course. For example, throughout you will have access to a fully operational trading system and undertake a series of 'trading games' to help you gain first-hand experience and knowledge of applying the physical and paper concepts common to the oil trading environment. A very interactive course ideal for those working in roles linked to: refiners, economists, analysts portfolio managers, risk managers, operations managers, brokers and other related front, middle and back office staff.

### Trading Simulations, Physical Crude & Product Trading, Refineries and Options.

#### 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 spread sheet 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\*

- 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 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

## Trainer Biographies

### Garry Swaine

Garry was most recently Head of Learning and Development for the BP Supply and Trading business in Singapore where he was responsible for developing the business competencies required for successful trading teams. He was also owner for the Trader graduate program.

Prior to his L&D role he was the Head of Crude Trading for BP in Singapore for more than 11 years, which involved both physical and derivative proprietary trading along with the commercial marketing of equity crudes and optimization of refinery feedstock supply. Garry has also held roles in refining and supply chain optimization and has spent time working in Australia, Singapore and the UK.

### Iain Welsh

Since graduating, he has spent the majority of my career at BP, moving between front office, mid-office, systems and organisational change programmes, and graduate recruitment. He has been responsible for the Crude, Gas, and products trading businesses and held senior management roles in North America, London and Asia (Singapore). Once CFO, he took responsibility for Fuel Oil trading and Marine sales. He has been Managing Director of SOCAR Trading Singapore, and then appointed Chief Risk Officer for SOCAR globally.

[Further information](#)

[education@theice.com](mailto:education@theice.com)

[theice.com/education](http://theice.com/education)