COURSE SYLLABUS

YEAR COURSE OFFERED: 2013

SEMESTER COURSE OFFERED: Fall
DEPARTMENT: Finance

COURSE NUMBER: 4370

NAME OF COURSE: Energy Trading

NAME OF INSTRUCTOR: Art Smith

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The information contained in this class syllabus is subject to change without notice. Students are expected to be aware of any additional course policies presented by the instructor during the course.
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Energy Trading
Finance
Fall 2013 Tuesday 6:00-9:00 p.m.

Art Smith art.smith@agrimarservices.com tel: 979.218.2325
Text: Commodity Trading Manual; Blackboard Vista
Grading: 15% class participation, 15% assignments; 70% Exams
TA. Christian Carranza carranza.christian@gmail.com

Course Outline

August 27 Introduction

September 3 Energy Trading Organization; Risk Management

September 10 Contract Instruments; Valuation in Contract Trading
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September 17  Exam I (20%) “Commodity Trading Manual”

September 24  Valuation in Contract Trading

October 1  Valuation in Contract Trading

October 8  Valuation in Contract Trading

October 15  Exam II (40%)

October 22  Options

October 29  Technical & Fundamental analysis & the impact of technology change on the energy markets

November 5  Trading Petroleum Markets

November 12  Trading Natural Gas Markets

November 19  Trading Power Markets

December 3  Exam III (40%)

Energy Trading Organization; Risk Management
Defining the types of risks faced by energy companies, introduction to the organization of the trading organization; front office, middle office & back office.

Valuation in Contract Trading
A detailed examination of valuation of contracts. A discussion of OTC and futures Markets, their trading instruments and relative risks. Spreads, basis, the forward curve, storage and transportation valuation will be examined. Technical & fundamental analysis

Options
A basic introduction to options, their valuation and how they are used in energy trading

Trading Petroleum Markets
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A look at how petroleum markets are organized and traded

Trading Natural Gas Markets
A look at how natural gas markets are organized and traded

Trading Power Markets
A look at how electricity markets are organized and traded

Energy Trading “Required Reading”
Reference Material by Topic (In Power Points & Other Articles in WebCT)

Energy Trading Organization; Risk Management
- Intro to risk mgt (Powerpoint)
- Energy Swaps
- Energy Trading Risk Glossary
- The Evolution of a Market

Valuation in Contract Trading
- Valuation of Commodities
- Fundamentals of Commodity Spot & Futures Markets – instruments, exchanges & strategies

Fundamental & Technical Analysis
- Market Analysis (PowerPoint)
- The Importance of Fundamental Analysis
- Tech Analysis Final (PowerPoint)

Options
- Options Presentation (PowerPoint)

Petroleum
- Crude Petroleum Products (PowerPoint)
- The Oil Market as World Market
- Development of a Sour Crude Market
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- The Oil Market
- Crude Oil EOG 2012
- CAPP Canada & North America annual oil
- Petroleum Products

Natural Gas
- Natural Gas Presentation (PowerPoint)
- Instruments, venues and diagrams
- The Natural Gas Market
- Natural Gas
- The gas market as the energy market of the next decades
- Links for shale production description
- LNG the Hedged Diversion and its Risky Relative

Power
- Power Trading Presentation (PowerPoint)
- Power Trading
- UH Energy Power(PowerPoint)
- Spot & Forward Electricity Markets
- Competitive Electricity Markets around the World