COURSE SYLLABUS

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YEAR COURSE OFFERED: 2015
SEMESTER COURSE OFFERED: Fall
DEPARTMENT: Finance
COURSE NUMBER: 4370/7376
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
Spring 15   Monday   6:00-9:00 p.m.

Art Smith  easmith2@uh.edu  tel: 979.218.2325
Text: Commodity Trading Manual; Blackboard Vista
Grading: 15% class participation, 15% assignments; 70% Exams
TA. Blake Sammons, blake.sammons@outlook.com

Course Outline

January 26   Introduction

February 2   Energy Trading Organization; Risk Management

February 9   Contract Instruments; Valuation in Contract Trading

February 16  Exam I (20%) “Commodity Trading Manual”
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February 23    Valuation in Contract Trading
March 2        Valuation in Contract Trading
March 9        Valuation in Contract Trading

March 23       **Exam II (40%)**
March 30       Guest Speaker
April 6        Options & Fundamental & Technical Analysis
April 13       Trading Petroleum Markets
April 20       Trading Natural Gas Markets
April 27       Trading Power Markets

May 4          **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**
A look at how petroleum markets are organized and traded.

**Trading Natural Gas Markets**
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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
- The Oil Market
- Crude Oil EOG 2012
- CAPP Canada & North America annual oil
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- 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