



FUTURES, OPTIONS & DERIVATIVES

Presented by Energy Management Institute



Understand what futures and options are, how they work, how they are used and how they can be applied to YOUR SPECIFIC BUSINESS.

COURSE DATES & LOCATIONS

■ March 1-2, 2017: Houston, TX

REGISTER TODAY!

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DETAILS INSIDE



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Have you hedged too early? Have you applied the wrong tools for trading? Are you unaware of the myriad of instruments available for trading & hedging, and do you know the implications of each tool & technique? Have you ever wondered how the CME NYMEX actually works and how the trading floor functions? These are just a few of the questions that will be answered during this dynamic two-day course.

What You Will Learn

You'll leave this course with a practical yet rigorous understanding of what futures, options and derivatives are, how they work, how they are used, and how to measure the risks and rewards associated with them. Topics covered include:

- Setting up a futures, options or derivatives account
- Types of exchange orders
- Margin
- Brokers
- Contract specifications
- Black - Scholes Model
- Spot and futures market relationships
- How Option prices change when market conditions change
- The latest tools and techniques for risk managers
- Historical and implied volatility
- Option pricing relationships
- History of the CME NYMEX
- The vocabulary of futures and options
- The what, why, how and who of futures markets
- The market participants
- The mathematics of futures and options premiums
- All about CME NYMEX and the ICE
- Difference and similarities of futures, options and derivatives
- Real-time trading and hedging examples for all products in the energy infrastructure using futures, options and derivatives
- Correlation and basis analysis
- EFP's & alternate delivery procedures

Who Should Attend

This course is applicable to all levels of the energy infrastructure including oil, natural gas, electricity and coal. Individuals whose decisions have significant financial impact will benefit from this program. Managers from areas such as marketing, sales, manufacturing, engineering, supply and distribution, trading risk management, purchasing and financial & accounting will find the course highly beneficial.

CPE Credits



This course earns 13 CPE credits. Energy Management Institute is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.



State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417.
Web site: www.learningmarket.org.

COURSE DATES & LOCATIONS

- **March 1-2, 2017 - Houston, TX**
8:30am - 4:30pm both days

See last page for venue addresses.

REGISTER ONLINE

EMI CERTIFICATION CREDIT



This course earns 6 credits towards EMI Certification.

Not enrolled? Learn more about EMI's Certification Program and enroll today at cert.emi.org

REGISTRATION FEES

- 1st delegate: \$1,995
- 2nd delegate: \$1,795
- 3rd delegate: \$1,600



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Course Syllabus - DAY ONE: Futures, Markets & Derivatives

Session 1: Overview & Foundation

Overview of the most widely used tools for managing risk, monitoring performance and maximizing profit

Session 2: Introduction to Futures

Historical overview of the development and characteristics of futures markets, Price discovery and general terminology. All of the prerequisite info needed to delve into the CME NYMEX and the ICE.

Session 3: CME NYMEX & ICE Futures

Detailed look at CME NYMEX & ICE Futures; How and why futures provide a simple & liquid market to trade and manage price and margin risk for all of the energies; Inner workings of both exchanges; Players, contract details, back office and clearing operations; EFP and alternate delivery procedures.

Session 4: How to Open the CME NYMEX & ICE Tool Bag

Setting up a CME NYMEX and ICE Futures account; Choosing a broker; Fees & brokerage commissions; How CME NYMEX and ICE transactions are guaranteed; Mark to Market 101.

Session 5: Trading & Types of Orders

Trading process, types of orders and terminology: Approach the market, announce your bid and offer, confirm the transaction, limit order, stop order, MOC, TAS.

Session 6: Let's Get to the Specifics

Long, short and spread trades; Applying these types of trades as part of a hedging strategy; Examples for the entire main product categories currently traded on the CME NYMEX and ICE – each example will use current data with a mark to market calculation.

Session 7: Self-Regulated Instruments: OTC & Derivatives

Overview of the derivatives market, tools available, mechanisms, electronic exchanges, contracts, and ISDA; Similarities to the futures and options markets and how OTC options can provide similar ways to manage and trade energy; Includes examples used in Session 6 so we can compare both approaches with a mark to market calculation.

Course Syllabus - DAY TWO: Welcome to the World of Options

Session 1: A Walk down Correlation Row – What About Basis?

How energy futures markets correlate with various physical instruments at each level of the energy infrastructure; Examples of the relationships of various futures instruments and real-life physical risks; Correlations of futures vs. spot, wholesale and retail markets; Basis relationship of energy futures and physical markets.

Session 2: Keeping All Your Options Open

See how functional and easy options are to incorporate into your trading and risk management portfolio; Vocabulary, arithmetic, characteristics, and styles of options.

Session 3: Understanding Contracts & How to Use Them

Contract specifications for CME NYMEX and ICE options contracts for all available energy instruments; Characteristics of OTC options, American and European options, and Put and Call options; Hedging with OTC options; How to buy, sell, write, hold, fold and exercise options; e-miNY energy contracts.

Session 4: Time to Put a Value to Those Option

Black-Scholes Pricing Model: Employ the Black-Scholes model to determine if an option is fairly valued or over or under-valued; Objectives of the model and the assumptions, formula and four elements involved in pricing Put and Call options; Types of volatility & the role it plays in the valuation of options.

Session 5: Let's Visit the Greeks

Explore the impact of option delta, gamma, vega, and theta on profits and losses; How each of these parameters impacts price exposure, time decay, and volatility; Option hedging techniques such as delta hedging; Exercise styles and their impact on prices and payoff.

Session 6: Real-Word Examples

Comparison between the payoff of options and futures and when to use them; Creating synthetic futures and options on spreads; Each example uses the same data as in futures sessions with a mark to market for each to allow comparison of approaches.



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Learn From the Experts that Experts Trust

EMI experts are frequent editorial contributors to petroleum magazines & are trusted by today's leading news sources.

Our experts have been featured in:

Futures Magazine • The Wall Street Journal • USA Today • The New York Times • The Washington Post • Journal of Commerce • CNN • NBC • CBS • ABC • Bloomberg • Reuters

EMI's leading industry experts have an average of over 30 years of knowledge and experience in:

**Energy • Commodity trading • Risk management
• Education • Consulting • Financial services**

Plus many years of managing marketing, international trading, manufacturing, consulting, start-up operations and project finance operations of well-known companies; integrated major oil companies as well as international trading companies.

EMI's industry experts have also provided risk and value management analysis, advice, information, and services to a variety of companies in the electric power industry. Clients have included power marketers, integrated utilities, retail power providers, hedge funds, and power plants.

Highlights of our instructors' experience include: • Developing a suite of models for a variety of power markets that quantify value and risk • Managing spark spread portfolios for hedge funds in the power markets • Operating in futures trading pits as a market observer in the power markets • Developing working papers for investigations and performing compliance audits in the power industry • Helping Texaco initiate its first use of futures exchanges as an integral part of hedging/trading strategy • Chief Operating Officer of Triwell Marketing and refining • Director of OPIS, Oil Price Information Service, a management-consulting and educational services group that solely focused on the downstream energy industry • Member of Board of Directors of Longview Refinery • Member of the New York Mercantile Exchange Petroleum Advisory Board • Expert witness for a hearing before the subcommittee on surface transportation for the Commerce, Science, and Transportation Committee of the US Senate • Supplied expert testimony to a US Senate sub-committee hearing on diesel petroleum product pricing • Supplied testimony to the Federal Highway Administration regarding fuel tax evasion • Expert witness in a MTBE litigation against the major oil companies • Publishers of The Daily Hedger, BTU's Daily Gas Wire and BTU's Daily Power Report, which advise thousands of petroleum professionals daily.

Our instructors are frequent expert speakers for numerous petroleum industry events and trade associations including: • DOE DESC World Energy Conference • OPIS Fleet Fueling • CME NYMEX • Fuel Management University • NATSO • ATA • AAA • Dairy Distribution • eyeforEnergy eCommerce • OPIS Supply Summit • CIOMA • American Society of Mechanical Engineers • American Society of Lubricating Engineers • Ambrust Aviation • NACHA.

Over the years EMI has developed a series of intensive courses covering all aspects of Energy from production all the way to managing the impact price and volatility on the margin of end-users, resellers, traders, marketers, shippers, retailers and refiners. Our instructors have had the privilege to instruct thousands of professionals representing all aspects of the energy industry, including every major oil company (i.e. Exxon Mobil, BP, Shell, Equilon, Motiva) major power utilities (i.e. Sempra, Edison Mission, Berkley, Toronto Hydro, Dominion, Conectiv) small marketers (i.e. Sprague, Getty, Southern Counties, Western Petroleum) trucking fleets from 50 to 10,000 (i.e. UPS, U.S. Postal Service, Yellow, Pepsi, Werner), gasoline-powered fleets hyper-markets (i.e. The Pantry, Wawa, BJs Wholesale) and many fortune 500 energy consumers.



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REGISTER ONLINE

Registration Fees:

1st Attendee: \$1,995 for full program

2nd Attendee: \$1,795

3rd Attendee: \$1,600

1 CHOOSE YOUR COURSE DATE/LOCATION

- March 1-2, 2017**
Regus Conference Center
 800 Town and Country Blvd.
 Suite 300
 Houston, TX 77024
 PH: 832.431.3000

Hotel recommendations for select course locations available online at www.energyinstitution.org/hotels

2 ENTER ENROLLMENT DETAILS

First Name: _____ Last Name: _____

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Email Address: _____

3 MAKE PAYMENT CHOICE

Please invoice my company (payment must be received prior to course date)

Pay by credit card (circle one): Mastercard Visa American Express

Card Number: _____ Expiration Date: / /

Card Holder Name: _____

Card Holder Signature: _____

4 SUBMIT REGISTRATION FORM

EMAIL: Send form to register@pmaconference.com.

TEL: Call PMA Conference Management at 201.871.0474

FAX: 253.663.7224

POST: PMA Conference Management
 POB 2303
 Falls Church, VA 22042

REFUND/CANCELLATION POLICY

Attendees may reschedule for a different date or course with no penalty. Attendees may substitute a colleague in place of themselves as long as prior notice is given to EMI.

Course fees are 100% refundable up to 14 days prior to course date, 80% refundable up to 5 days prior to course date and 50% refundable up to 2 days prior to course date. Cancellations are non-refundable thereafter.