



PHYSICAL CRUDE OIL & PRODUCTS TRADING

Presented by Energy Management Institute



Understand the U.S. and international physical oil trading business from the perspective of both the trader and the supply analyst.

COURSE DATES & LOCATIONS

- March 21-22, 2017: Houston, TX
- March 28-29, 2017: Calgary, Alberta

REGISTER TODAY!

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DETAILS INSIDE



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What You Will Learn

This highly interactive and intensive two-day physical crude oil & products trading course will provide the attendees with a comprehensive understanding and knowledge base of the U.S and international physical oil trading business from the perspective of both the trader and the supply analyst. EMI's unique program delves into the details of the physical market on day one including discussions on the fundamentals, major crude oil & products markets, characteristics of the markets, operations and logistics, freight trading and distinct differences between the physical & financial markets. On day two the program focuses on making money. The course attendees will be exposed to arbitrage (spread) trading as well as outright (long/short) trading opportunities. EMI will present approaches that work for physical trading as well as valuing and relating both physical crude oil & products back to the refinery gate. Finally the program will end day with a very exiting simulated trading exercise. **You will:**

- Learn about supply and demand for crude oil and products
- Understand the principles of crude oil evaluation and selection
- Develop your knowledge of oil refining and products
- Explore physical oil markets, pricing formation, shipping, operations and contracts
- Gain knowledge about futures, swaps, options and Over The Counter markets
- Become familiar with trading techniques, terminology, hedging and physical trading
- Develop expertise in management of market exposure and price risk
- Improve your negotiation skills
- Understand the commercial aspects of the downstream oil business

Subjects covered include:

- Crude oil and products supply and demand
- Crude oil evaluation and selection
- Oil refining and products
- Discussion of various pricing mechanisms
- Physical oil markets and pricing
- Operations and logistics
- Freight trading
- Exchange traded futures and options traded on the main exchanges... CME/NYMEX, ICE
- OTC swaps and swaptions traded on the cleared exchanges and well as bilateral transactions
- Physical crude and refined products for any of the international areas of the world tailored to course geographic location and audience concentration
- Comparison of physical and financial trading
- Arbitrage/spread trading
- Refinery trading and supply
- Physical outright (long/short) trading
- Approach to trading physicals
- Simulated trading session

CPE Credits



This course earns 12 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 21-22, 2017 - Houston, TX**
8am - 4pm both days

■ **March 28-29, 2017 - Calgary, Alberta**
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

Session 1: Overview of Physical Oil Fundamentals.

This session will delve into the physical crude oil and products fundamentals. You'll get a no-nonsense 'primer' with detailed analysis of the supply, demand and volatility drivers. You'll also get an overview of the global oil markets, looking at supply, demand, ocean freight and trading.

Session 2: Differences, Pros and Cons of Trading Physicals and Financials.

A detailed discussion of the pros and cons of trading physical and financial crude and products. We will look at each attribute and negative and discuss why each of these is different, with an eye toward profitability and liquidity. We will also review the main trading procedures employed in both the physical and financial areas.

Session 3: Physical Oil Price Mechanisms.

Examine all of the various pricing mechanisms used in both the physical crude and product arena. We'll start the session with an overview of all of the main traditional international and domestic pricing mechanisms. We'll then move into commodity-related pricing basis. Finally, we will discuss how these mechanism are applied, and when and why to use the various pricing arrangements.

Session 4: Operations and Logistics.

The major unique element of trading physical oil is that someone has to eventually move it. We will delve into the common practices for scheduling, book-outs, nominations and documentation, inspection, demurrage, shipping operations, typical pipeline operations, terminalling, storage and trans-shipments. We will look at not only the operations and logistics side of these areas but also the economics as well.

Session 5: The New Freight Market.

A significant amount of physical oil moves via ocean-going vessel. This aspect of the business has changed significantly over the last 30 years, moving from a business that was dominated by the majors to one now dominated by entrepreneurial ship owners.

This session will delve into the freight trading activity. We will discuss the new forward freight agreements (FFA) in detail. Some of the topics covered will include: credit, counter-party risk, key terms of contracts, characteristics of tanker FFA, trading tanker FFA's, pricing tanker FFA's and a

Session 6: Refining 101.

Once the refiner accumulates all of the various components what are the economics of getting it into usable, marketable products? How is it done, and how do economics and government-mandated specifications intermix? What are the economics of the various types of refineries? What are the economics that have motivated companies like Valero to grow to the largest refiner in the US? Why have major integrated companies reduced their refinery exposure? These are just a few of the questions that covered in this session.

Learn From The Best!



Don't miss this chance to learn from 30 years of energy trading experience with industry expert Mr. Dominick Chirichella. Mr. Chirichella has started and operated several highly successful domestic and international trading companies. He served on the CME NYMEX advisory board and helped start and trade the very first heating oil contract on the CME NYMEX. He has traded every type of energy contract including crude, Nat Gas, power and oil products. Truly an industry luminary, Mr. Chirichella has developed innovative trading strategies that you can learn first-hand and put to use in your successful career.



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Course Syllabus - DAY TWO

Session 1: Refining Economics and Cracks.

This discussion will lead to the second part of this session regarding the valuation of crude oil. We will discuss crude oil netbacks, refinery optimization using linear programming models and how refiners ultimately select the optimum slate of feedstocks to maximize the profit of the oil products sold from the refinery. Since all of the physical crude oil that is produced must be refined a tremendous amount of physical oil trading is centered on the refinery. This session will delve into how the economics, trading and supply meets in this arena. This session will include discussions on short-term deals, term deals, relationship of physicals to financials (futures and derivatives), both from the perspective of the trader and the supply analyst.

Session 2: Intermonth Spread Trading.

This session will cover the economics of storing crude oil prior to the manufacturing process, as well as storing various refined products after the refining process is over. Before we delve into the economics we will elaborate on who stores oil and why do they do it. We will differentiate from storing oil from a logistic viewpoint versus an opportunistic economic perspective. This session will introduce the attendee to all of the economic aspects of oil and what they are telling participants about the marketplace.

Session 3: Crude Oil Arbitrage Trading.

Are market fundamentals leading the futures market, or are futures leading the fundamentals? Yes to both. This session will discuss how fundamentals and futures are intertwined with each other. Let's look at various futures/physical trades and positions from both a trading and risk management perspective. One of the most common approaches to trading physical crude oil is from an arbitrage (spread) viewpoint. This session will delve into the concept of arbitrage trading for both the US and international crude oil markets. We will set up a variety of arbitrage relationships (major traded arbs) and go through the analysis, economics, trade potential and the main market drivers.

Session 4: Physical Product Arbitrage Trading and Case Study

We will continue where we left off in the previous session, only this time focusing on the major physical product relationships both domestically and internationally. We will set up a variety of arbitrage relationships (major product traded arbs) and go through the analysis, economics, trade potential and the main market drivers. We will also present an actual case on jet fuel for discussion by the class.

Session 5: A Few Approaches That Work For Physical Oil Trading.

During this session, we'll discuss some of the major techniques that work well for the various physical oil markets. The session will discuss some of the major approaches for both outright (long/short) and spread trading. We will take a techno fundamentalist approach to the market. The Fundamentalist uses industry-specific information to determine why markets move, while the Technical trader uses price and volume data to determine the direction and timing of the market. Do they contradict each other or can they be used synergistically? This session will use them synergistically in analyzing the main physical markets. Past and current data will be used to demonstrate the approach.

Session 6: Overview of International and US Physical Oil Markets.

Why trade oil and why trade physical oil? We'll delve into the trading characteristics of oil and the structure of the physical oil markets around the world. We will review the basics of crude oil and products...types and major locations for the main trading crudes and products from around the world. We'll look at the history of physical oil trading, starting with the pre-futures market days to today's world. Significant differences...significant opportunities. Finally we will touch on who the major players are and what their objectives might be.

Who Should Attend

This course is specifically designed for people working in: Oil Trading, Risk Management, Supply, Transport & Operations, Sales & Marketing, Energy Purchasing, Oil Trading, Risk Management, Supply, Transport & Operations, Sales & Marketing, Energy Purchasing



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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 21-22, 2017
Norris Conference Center
Houston/City Centre I/
10 Katy Freeway Area
803 Town & Country Blvd.
Houston, TX 77024
PH: 713.590.0950

March 28-29, 2017
Regus Bankers Hall Business Center
888 3rd Street, South West
10th Floor, West Tower
Calgary, Alberta T2P 5C5
PH: 403.668.6000

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.