

# INTRODUCTION TO THE FUTURES MARKET

## SEMINAR, 1 DAY

This seminar deals with the different trading possibilities on the futures market. The concrete functioning of the common products (futures, forwards) and the different trading platforms will be discussed. A basic understanding of the fundamental interrelationships on the spot market is necessary for understanding the futures markets. In the second half of the course, the supply and demand side of the futures market is dealt with and basic motivations and strategies are discussed.

## Your contents

### Liberalised energy markets and electricity trading

- Structure of the German energy industry
- Overview of the power plant fleet - use and characteristics

### Basics of electricity trading

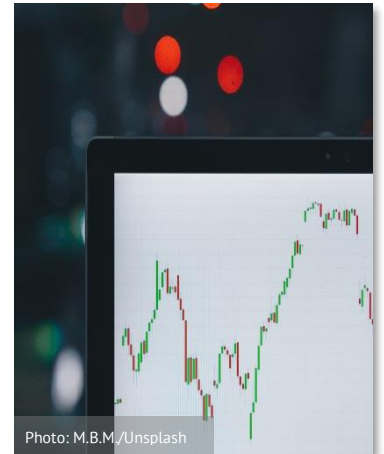
- Balancing group systems and balancing energy mechanisms
- Structured procurement vs. full supply
- Exchanges vs. OTC trading via EFET contracts
- Distinction between spot market and futures market
- The merit order
- The day-ahead market as a reference market

### Electricity trading on the futures market – the buyer's side

- Trading motivation – hedging, arbitrage and speculation
- Futures trading products: forwards, futures, options
- Hedging of customer load profiles using hPFC
- Tranche procurement
- Excursus – Technical analysis

### Electricity trading on the futures market – the seller's side

- Clean dark spread and clean spark spread
- Valuing the flexibility of a power plant
- Delta hedging
- Portfolio management in power plant marketing



### TARGET GROUP

- Specialists and managers with interfaces to energy trading, purchasing, procurement, distribution
- Portfolio and risk management staff as well as analysis staff
- Employees from industrial companies with significant electricity consumption

### YOUR BENEFITS

After this seminar you will be able to:

- interpret the futures market price as an interaction between the supply and demand side,
- explain the products on the futures market and their settlement,
- assess the risks of the buyer and seller side in futures trading.

Our **Simulation Game Futures Trading** supports the optimal learning effect through practical and playful application of the theoretically imparted knowledge.