

# RISK MANAGEMENT IN ENERGY TRADING

## WORKSHOP, 1 DAY

Knowledge of the basics of risk management forms the basis for safely navigating the imponderables of energy procurement and sales. Knowledge of the special risks in the energy industry, such as price and volume risks as well as liquidity risk, is fundamental to establishing adequate responses in the business models. The seminar teaches the basics of risk assessment, risk management and how to deal with risks - the optimal prerequisite for ensuring that risks do not become your problems in the future.

## Possible contents

### Introduction to risk management

- What is a risk?
- What are the risks in the energy industry?
- Definition of risk and risk management
- Presentation of the risk management process
- Classification of risk management in the company

### Risk assessment and indicators

- Efficient use of a risk map to assess risks
- Measurement of risks

### Deriving risk management strategies

- Risk and opportunity - two sides of the same coin
- Risk diversification in procurement
- Overview of trading and procurement strategies
- Risk capital vs. risk premiums

### Risk management with derivative trading products

- Hedging with derivatives
- Volume hedging vs. value-neutral hedging
- Dealing with liquidity, counterparty and market price risks
- Sensible application of risk ratios such as value at risk (VaR), cash flow at risk (CfaR)

### Implementation of risk management processes

- Risk management and derivation of risk manuals
- Contents of a risk manual
- Presentation of the escalation principle
- Allocation of roles in the company
- Exemplary risk manual

### Summary and final discussion



### TARGET GROUP

- Decision-makers from the risk management and trading departments
- Employees from the departments of portfolio management, finance and controlling, corporate development and planning
- Investors and financial service providers

### YOUR BENEFITS

After this seminar you will be able to:

- calculate risk ratios and assess risks,
- assess your company's risk appetite,
- organise risk management as a process,
- create a simple risk manual and define strategies for risk avoidance.

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