

Course Outline 2 day workshop

Trading, Derivatives and Risk Management in the LNG Markets

DAY 1

How LNG Trading is changing

- More spot and short term trading
- New exports from Australia and USA
- Changing procurement strategies Japanese and Korean buyers
- The Market situation; when will oversupply end?
- New LNG Hubs in Asia
 - Japan, Singapore, Shanghai
- New price benchmarks next to JCC
 - JKM, EAX, SLInG, RIM
- Growing importance US Henry Hub pricing index
- New LNG financial instruments

Role and exposures different players in the market

Shorts

- Japanese, South Korean and Taiwanese power and gas companies
- Other buying countries
- Portfolio Players

Longs

- Project developers
- Banks
- Trading houses
 - Gunvor, Vitol, Trafigura, Mercuria, etc.
- Financiers
- Portfolio players
- LNG ship owners

Essentials of LNG Trading

- OTC vs exchange trading
- Different Trading Strategies
 - Prop Trading,
 - Arbitrage
 - Hedging

DAY 2

Essentials of LNG derivative instruments

- Forwards
- Futures
- Swaps
- Options

Hedging LNG price exposure

- Oil indexation
 - Brent futures and options
- Henry Hub
 - Henry Hub Natural gas futures and options
- LNG spot indices
 - Swaps, Futures and options

LNG Risk Management

- Risks in the value chain
- Main Risks
 - Market, Credit and operational risk
- Managing the complexities of LNG

Q & A and Closing Discussion