

IBM Minor : Commodity Trading

Fall semester :

- Commodity Trading Front Office
- Commodity Trading Physical Operations I

Spring semester :

- Commodity Trading Middle Office
- Commodity Trading Physical Operations II

Please see the details of the course contents in the following pages.

DESCRIPTION OF ELECTIVE COURSE

Name of the school : Haute école de gestion de Genève	Academic Year: 2023-2024
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FIRST PART: DESCRIPTION OF MODULE	
1. Domain	Business and Services
2. Department	International Business Management
3. Course name	Commodity Trading - Front Office
4. Code	31011
5. Type of education	<input checked="" type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> MAS <input type="checkbox"/> <input type="checkbox"/> DAS / CAS / single days
6. Number of ECTS Credits	5
7. Prerequisites	<input checked="" type="checkbox"/> Validation of the modules in semesters 1 and 2 <input checked="" type="checkbox"/> Attendance of the modules in semesters 3 and 4 for full-time students, and semesters 5 and 6 for part-time students <input type="checkbox"/>
8. Teaching language	<input type="checkbox"/> French <input type="checkbox"/> German <input checked="" type="checkbox"/> English <input type="checkbox"/> Other:
9. Objectives	<p>The commercial activity in trading organizations happens in the Front Office. This course introduces students to the underlying and important foundations to Commodity Trading represented by Front Office function.</p> <p>Commodity Trading is normally a low margin and high-volume business with volatile commodity prices. This course will examine different trading company models and how they make money from physical arbitrage opportunities. With price and market risk contributing to the majority of risk faced in commodity trading, a solid understanding of price risk and its mitigation and management through hedging instruments is essential knowledge.</p> <p>Fundamental market analysis is also a cornerstone to building a trading strategy and for understanding commodity trade flows. This course will also cover the basics for constructing supply and demand balances in various commodity markets.</p>

<p>10. Contents <i>(General themes and descriptions, the accurate content may change)</i></p>	<p>The topics in the course will include:</p> <ul style="list-style-type: none"> • Commodity Trading company models • How do Trading companies make money? • Physical commodity arbitrage • Price & Market Risk • Forward curves • Physical & Financial hedging instruments (futures, forwards, swaps, options and other derivatives) • Benchmarks and pricing methodologies • Commodity futures exchanges • Over the Counter (OTC) trading & counterparty risk (margins) • Arbitrage • Basis trading and basis risk • Fundamentals (supply & demand balances) • Trading Compliance
<p>11. Evaluation</p>	<p>The grading of the module shall be based on:</p> <ul style="list-style-type: none"> • A written exam in week 15 of the semester; and/or • Mid-term assessments during weeks 1 to 14 according to the decision of the instructor. <p>(The methods and weightings are communicated by the instructor before the evaluations)</p>
<p>12. Remediation/repetition</p>	<p><input checked="" type="checkbox"/> Compulsory remediation if the module grade is between 3.5 and 3.9 / 6. When subject to a remediation, only the grade of the remedial exam will be taken into account (maximum grade 4.0). A repeated module cannot benefit from a remedial exam.</p> <p><input type="checkbox"/> No remediation</p>
<p>13. Coordinator / main instructor</p>	<p>Julie Noller</p>
<p>SECOND PART: LOCATION OF THE MODULE IN THE STUDY PLAN</p>	
<p>14. Level</p>	<p><input type="checkbox"/> Basic module <input type="checkbox"/> Advanced module <input checked="" type="checkbox"/> Specialized module <input type="checkbox"/> Other:</p>
<p>15. Characteristics</p>	<p><input checked="" type="checkbox"/> Module is mandatory (which could lead to final dismissal from the program, cf. art.15, al.1, « Statut des étudiant-e-s bachelor »)</p>
<p>16. Type</p>	<p><input checked="" type="checkbox"/> Main module <input type="checkbox"/> Module linked to main module <input type="checkbox"/> Optional module <input type="checkbox"/> Other:</p>

17. Time organization	<input checked="" type="checkbox"/> Module over 1 semester <input type="checkbox"/> Module over 2 semesters <input type="checkbox"/> Spring semester <input checked="" type="checkbox"/> Fall semester <input type="checkbox"/> Other

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Name of the school : Haute école de gestion de Genève	Academic Year: 2023-2024
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FIRST PART: DESCRIPTION OF MODULE	
1. Domain	Business and Services
2. Department	International Business Management
3. Course name	Commodity Trading Physical Operations I
4. Code	31012
5. Type of education	<input checked="" type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> MAS <input type="checkbox"/> <input type="checkbox"/> DAS / CAS / single days
6. Number of ECTS Credits	5
7. Prerequisites	<input checked="" type="checkbox"/> Validation of the modules in semesters 1 and 2 <input checked="" type="checkbox"/> Attendance of the modules in semesters 3 and 4 for full-time students, and semesters 5 and 6 for part-time students <input type="checkbox"/>
8. Teaching language	<input type="checkbox"/> French <input type="checkbox"/> German <input checked="" type="checkbox"/> English <input type="checkbox"/> Other:
9. Objectives	<p>Commodity trading is built up transaction by transaction, deal by deal.</p> <p>This program is intended to provide the students, in a very short period of time, with a comprehensive understanding of all steps needed to execute a transaction from start to finish. The course focuses on the importance of each phase of a trading contract and emphasizes the interactions between them. In addition, it enables the students to familiarize with business documentation and specific terminologies, to enable a running start to any entry level role in the industry.</p>

<p>10. Contents <i>(General themes and descriptions, the accurate content may change)</i></p>	<p>This course will cover essential contracts and documents that underly every deal and which are essential for anyone in the commodities sector to know, including:</p> <ul style="list-style-type: none"> ➤ What is Commodity trading and its importance to the global economy ➤ History of trading Commodities, Trading Companies & International trade flows ➤ How does a Commodity Trade actually work? ➤ Importance of contracts and their role in trading ➤ Walkthrough a deal from extraction to final distribution ➤ Documentation i.e., Bills of Lading (BL), Letters of Credit (L/C) ➤ Incoterms ➤ Overview of ship types and sizes ➤ Chartering & Shipping Operations ➤ Laytime & Demurrage ➤ Insurance ➤ Options for financing trade & Payment methods in use ➤ Legal dispute avoidance, resolution & how to avoid claims ➤ Choosing law, arbitration, and lawyers
<p>11. Evaluation</p>	<p>The grading of the module shall be based on:</p> <ol style="list-style-type: none"> 1. A written exam in week 15 of the semester; and/or 2. Mid-term assessments during weeks 1 to 14 according to the decision of the instructor.
<p>12. Remediation/repetition</p>	<p><input checked="" type="checkbox"/> Compulsory remediation if the module grade is between 3.5 and 3.9 / 6. When subject to a remediation, only the grade of the remedial exam will be taken into account (maximum grade 4.0). A repeated module cannot benefit from a remedial exam. <input type="checkbox"/> No remediation</p>
<p>13. Coordinator / main instructor</p>	<p>Richard Watts</p>
<p>SECOND PART: LOCATION OF THE MODULE IN THE STUDY PLAN</p>	
<p>14. Level</p>	<p><input type="checkbox"/> Basic module <input type="checkbox"/> Advanced module <input checked="" type="checkbox"/> Specialized module <input type="checkbox"/> Other:</p>
<p>15. Characteristics</p>	<p><input checked="" type="checkbox"/> Module is mandatory (which could lead to final dismissal from the program, cf. art.15, al.1, « Statut des étudiant-e-s bachelor »)</p>
<p>16. Type</p>	<p><input checked="" type="checkbox"/> Main module <input type="checkbox"/> Module linked to main module <input type="checkbox"/> Optional module <input type="checkbox"/> Other:</p>
<p>17. Time organization</p>	<p><input checked="" type="checkbox"/> Module over 1 semester <input type="checkbox"/> Module over 2 semesters <input type="checkbox"/> Spring semester <input checked="" type="checkbox"/> Fall semester <input type="checkbox"/> Other</p>

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Name of the school : Haute école de gestion de Genève	Academic Year: 2023-2024
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FIRST PART: DESCRIPTION OF MODULE	
1. Domain	Business and Services
2. Department	International Business Management
3. Course name	Commodity Trading - Middle Office
4. Code	31013
5. Type of education	<input checked="" type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> MAS <input type="checkbox"/> <input type="checkbox"/> DAS / CAS / single days
6. Number of ECTS Credits	5
7. Prerequisites	<input checked="" type="checkbox"/> Validation of the modules in semesters 1 and 2 <input checked="" type="checkbox"/> Attendance of the modules in semesters 3 and 4 for full-time students, and semesters 5 and 6 for part-time students <input type="checkbox"/>
8. Teaching language	<input type="checkbox"/> French <input type="checkbox"/> German <input checked="" type="checkbox"/> English <input type="checkbox"/> Other:
9. Objectives	<p>Whether it is labelled Mid or Middle Office, Product Control or Deals Desk the role of this function is to monitor, analyze and report the exposure of the trading function. The Middle Office is key to coordinating between the Front Office and the Back Office (operations, finance, contract administration) in Commodity Trading organizations.</p> <p>This course is to prepare students for entry-level positions in the Middle Office and will cover risk management (market, operational & credit), trade monitoring and compliance, order management of the trade life cycle and product control of position and risk limits. In addition, it will introduce students to key supporting Information Technologies in trading such as Commodity Trading & Risk Management (CTRM) software solutions.</p> <p>Upon completion of this course, students will be able to perform a Profit & Loss attribution breakdown, position exposure evaluation and market risk assessments. These skills will enable students to add value and provide valuable information to the Front Office to support decisions related to the commercial activity. The Middle Office</p>

	<p>reports are essential for traders to make the right commercial decisions and to optimize portfolio opportunities.</p> <p>The Middle Office presents a training ground and important learning experience for Front Office roles.</p>
<p>10. Contents <i>(General themes and descriptions, the accurate content may change)</i></p>	<ul style="list-style-type: none"> • Order Management & The Trade Life Cycle • Monitoring Physical & Financial Trades • Position & Pricing Reporting • Profit & Loss Calculation (Mark-to-Market) • P&L Attribution Analysis (Price, Basis, Position Change) • Delegation of Authority (DOA) & Internal Controls • Regulatory & Compliance reporting • Trading authorities (limits & layers) • Trading management IT systems (CTRM & ETRM)
<p>11. Evaluation</p>	<p>The grading of the module shall be based on:</p> <ul style="list-style-type: none"> • A written exam in week 15 of the semester; and/or • Mid-term assessments during weeks 1 to 14 according to the decision of the instructor. <p>(The methods and weightings are communicated by the instructor before the evaluations)</p>
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<p>13. Coordinator / main instructor</p>	<p>Julie Noller</p>
<p>SECOND PART: LOCATION OF THE MODULE IN THE STUDY PLAN</p>	
<p>14. Level</p>	<p><input type="checkbox"/> Basic module <input type="checkbox"/> Advanced module <input checked="" type="checkbox"/> Specialized module <input type="checkbox"/> Other:</p>
<p>15. Characteristics</p>	<p><input checked="" type="checkbox"/> Module is mandatory (which could lead to final dismissal from the program, cf. art.15, al.1, « Statut des étudiant-e-s bachelor »)</p>
<p>16. Type</p>	<p><input checked="" type="checkbox"/> Main module <input type="checkbox"/> Module linked to main module <input type="checkbox"/> Optional module <input type="checkbox"/> Other:</p>

17. Time organization	<input checked="" type="checkbox"/> Module over 1 semester <input type="checkbox"/> Module over 2 semesters <input checked="" type="checkbox"/> Spring semester <input type="checkbox"/> Fall semester <input type="checkbox"/> Other

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FIRST PART: DESCRIPTION OF MODULE	
1. Domain	Business and Services
2. Department	International Business Management
3. Course name	Commodity Trading Physical Operations II
4. Code	31014
5. Type of education	<input checked="" type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> MAS <input type="checkbox"/> <input type="checkbox"/> DAS / CAS / single days
6. Number of ECTS Credits	5
7. Prerequisites	<input checked="" type="checkbox"/> Validation of the modules in semesters 1 and 2 <input checked="" type="checkbox"/> Attendance of the modules in semesters 3 and 4 for full-time students, and semesters 5 and 6 for part-time students <input type="checkbox"/>
8. Teaching language	<input type="checkbox"/> French <input type="checkbox"/> German <input checked="" type="checkbox"/> English <input type="checkbox"/> Other:
9. Objectives	<p>This program will build on the previous semester and Commodity Trading Physical Operations I.</p> <p>Topics will be covered in more detail with the opportunity to investigate real life problems and go through step-by-step examples.</p> <p>More examples of operational risks will be explored to provide the students with the knowledge to be able to solve practical problems faced on the job,</p>

10. Contents <i>(General themes and descriptions, the accurate content may change)</i>	<p>This course will in more detail the following:</p> <ul style="list-style-type: none"> ➤ Key international trade flows and how these are changing ➤ Current and future changes in Commodity Trading ➤ Changing structure of companies & New actors ➤ Sustainability & Renewable focus ➤ The impact of traceability & decarbonization on physical trading operations ➤ A detailed walkthrough of a deal from extraction to final distribution ➤ Documentation i.e., Bills of Lading (BL), Letters of Credit (L/C) ➤ Incoterms part II ➤ Chartering & Shipping Operations part II ➤ Laytime & Demurrage Insurance the calculations ➤ How trading houses finance deals ➤ Compliance for operations ➤ Additional Operational Risks, the types, market players and structures and day to day handling
11. Evaluation	<p>The grading of the module shall be based on:</p> <ol style="list-style-type: none"> 1. A written exam in week 15 of the semester; and/or 2. Mid-term assessments during weeks 1 to 14 according to the decision of the instructor.
12. Remediation/repetition	<p><input checked="" type="checkbox"/> Compulsory remediation if the module grade is between 3.5 and 3.9 / 6. When subject to a remediation, only the grade of the remedial exam will be taken into account (maximum grade 4.0). A repeated module cannot benefit from a remedial exam.</p> <p><input type="checkbox"/> No remediation</p>
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SECOND PART: LOCATION OF THE MODULE IN THE STUDY PLAN	
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15. Characteristics	<p><input checked="" type="checkbox"/> Module is mandatory (which could lead to final dismissal from the program, cf. art.15, al.1, « Statut des étudiant-e-s bachelor »)</p>
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