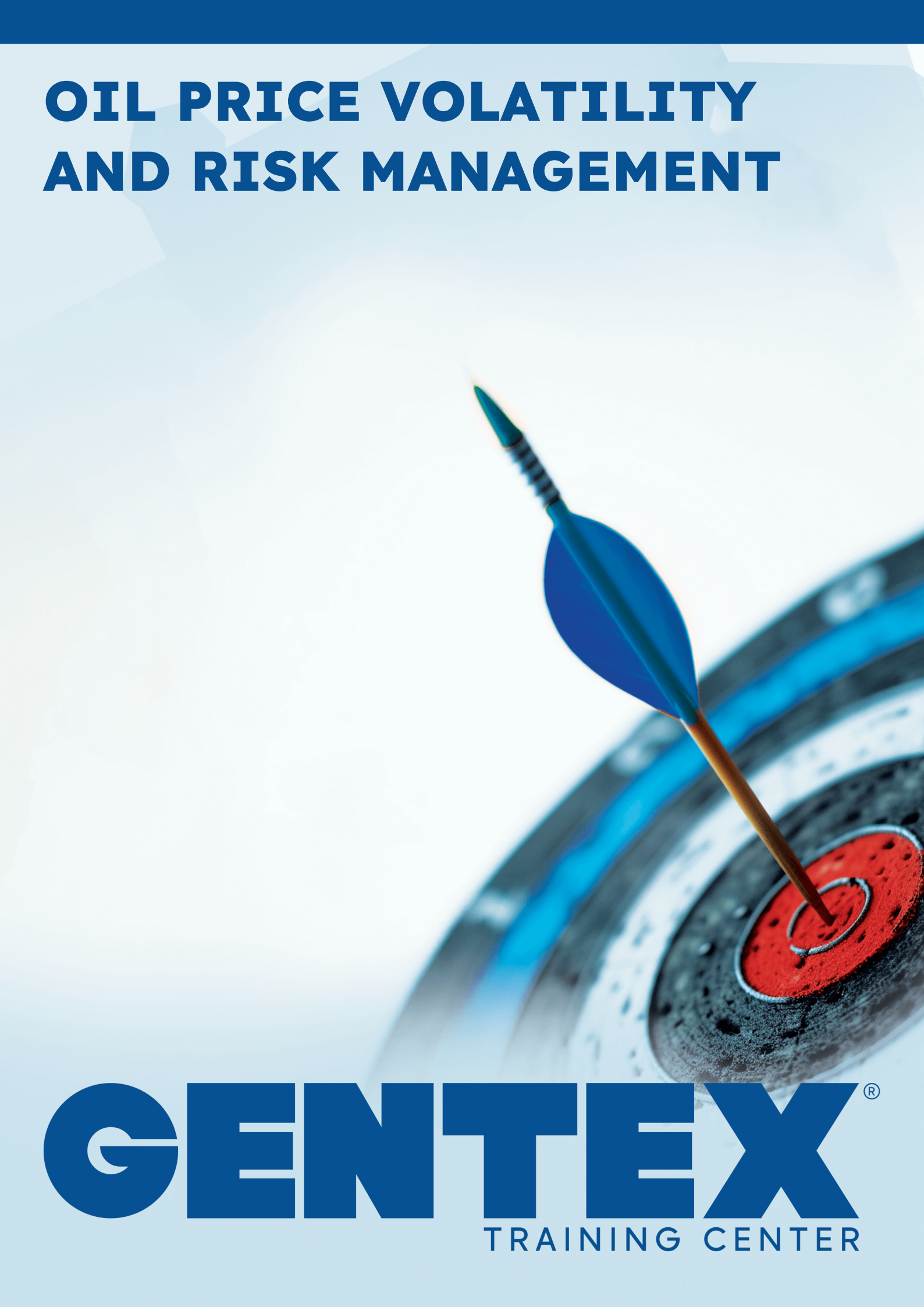
OIL PRICE VOLATILITY AND RISK MANAGEMENT



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TRAINING CENTER

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Introduction

Oil Price Volatility and Risk Management Training Course builds the skills that energy, treasury and trading professionals need to measure and control price exposure. Participants learn what drives crude volatility, how risk is quantified, and which instruments reduce exposure effectively. The programme covers volatility measurement, value at risk, stress testing, futures, swaps, options, collars, hedging policy design and hedge accounting. Furthermore, it addresses basis risk, counterparty exposure, limit frameworks and reporting to committees. As a result, delegates can build a hedging programme that protects earnings without creating new risk. Gentex Training Center delivers the programme through modelling workshops and hedging case work.

Oil Price Volatility and Risk Management Course Objectives

- Explain what causes crude and product price volatility and how it behaves.
- Measure volatility using historical, implied and realised approaches.
- Calculate value at risk using variance-covariance, historical and Monte Carlo methods.
- Run stress testing and scenario analysis on price exposure.
- Apply futures, swaps, options and collar strategies to hedging.
- Design a hedging policy with objectives, instruments and approval limits.
- Assess basis risk between benchmarks and realised sale prices.
- Evaluate counterparty, credit and margining exposure in hedging.
- Apply hedge accounting concepts under IFRS 9.
- Report price risk positions, limits and hedge performance to committees.

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Course Methodology

The course combines market briefings with hands-on modelling workshops and hedging case studies. Participants measure volatility, calculate value at risk and design a hedging programme for a chosen exposure. In addition, structured peer review and group debate sharpen risk judgement, and every day closes with an applied risk task.

Who Should Take This Course

- Treasury, risk and hedging professionals in energy companies.
- Energy traders and trading risk officers.
- Finance and commercial staff managing price exposure.
- Procurement and supply managers exposed to fuel prices.
- Refining and marketing commercial staff.
- Auditors, regulators and advisers reviewing hedging activity.

Oil Price Volatility and Risk Management Course Outlines

Day 1: Volatility and Price Behaviour

- What drives oil price volatility: supply, demand, inventories and geopolitics.
- Historical volatility patterns and volatility clustering.
- Measuring volatility: historical, implied and realised approaches.
- Volatility surfaces and term structure of volatility.
- Correlation between crude grades and products.
- Volatility and its effect on budgets, valuations and credit.

- Workshop: measuring historical volatility from price data.

Day 2: Risk Measurement and Value at Risk

- Risk metrics for price exposure: sensitivity and duration approaches.
- Value at risk using variance-covariance and historical simulation.
- Monte Carlo simulation for price risk measurement.
- Expected shortfall and tail risk assessment.
- Stress testing and scenario design for price shocks.
- Aggregating exposure across entities and currencies.
- Workshop: calculating value at risk for a portfolio exposure.

Day 3: Hedging Instruments and Strategies

- Futures, forwards, swaps and options in oil markets.
- Fixed-price swaps and hedging with futures.
- Options: caps, floors, collars and their payoff profiles.
- Pricing considerations for option-based hedges.
- Choosing between linear and option-based hedging.
- Hedging ratio selection and layered hedging programmes.
- Workshop: designing a hedge with futures and collars.

Day 4: Basis Risk, Counterparty Risk and Controls

- Basis risk between benchmarks and realised sale prices.
- Locational, quality and timing basis considerations.
- Counterparty credit assessment and credit limits.
- Margining, collateral and liquidity demands of hedging.

- Authorisation, segregation of duties and trading mandates.
- Hedge accounting concepts and documentation under IFRS 9.
- Workshop: assessing basis and counterparty exposure on a hedge.

Day 5: Policy, Governance and Reporting

- Designing a hedging policy with objectives and permitted instruments.
- Risk appetite, limits and escalation triggers.
- Hedge performance measurement and effectiveness assessment.
- Reporting price risk to management, boards and committees.
- Regulatory, audit and disclosure expectations for hedging.
- Reviewing hedging outcomes and lessons learned.
- Workshop: presenting a hedging programme and risk report before a review panel.

Conclusion

By successfully completing Oil Price Volatility and Risk Management Training Course, participants will have acquired the knowledge to measure oil price risk and control it deliberately. They will understand volatility measurement, value at risk, hedging instruments, basis and counterparty risk, hedge accounting and governance, and they will know how to report exposures that withstand board scrutiny. As a result, delegates protect earnings and strengthen risk control. Gentex Training Center builds the programme around current risk and hedging practice.

FAQs for the Oil Price Volatility and Risk Management course

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Q1 What is the "Oil Price Volatility and Risk Management" course about?

It covers how oil price volatility is measured and controlled. You learn volatility measurement, value at risk, stress testing, futures, swaps, options and collars, basis risk, hedge accounting and governance, with practical modelling and hedging case work.

Q2 What are the key benefits of the "Oil Price Volatility and Risk Management" course?

You gain the ability to quantify price exposure and design hedges that match it rather than trading on judgement alone. You also improve hedging policy quality, control counterparty and margining risk, report exposures credibly to boards, and reduce earnings surprises from price moves.

Q3 What skills will I gain from the "Oil Price Volatility and Risk Management" course?

You will gain oil price volatility measurement, value at risk and stress testing application, hedging instrument selection and strategy design, and price risk governance, reporting and hedge accounting.

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Q4 What tools, methods, or standards are covered in the "Oil Price Volatility and Risk Management" course?

The course covers historical, implied and realised volatility measurement, value at risk using variance-covariance, historical simulation and Monte Carlo methods, expected shortfall and tail risk assessment, stress testing and scenario design, futures, forwards, swaps, caps, floors and collars, hedge ratio and layered hedging design, basis risk assessment against Brent, WTI and Dubai benchmarks, counterparty credit limits and margining, and hedge accounting under IFRS 9.

Q5 How is the "Oil Price Volatility and Risk Management" course applied in real-world practice?

Graduates apply it to measure exposure on crude, gas and fuel purchases, calculate value at risk for portfolios, design and review hedging programmes, evaluate basis and counterparty risk, prepare hedge accounting documentation, set risk limits and escalation triggers, and report price risk positions and hedge performance to management and boards.