



**T R A I N I N G**

**ADV07: Supply Contract Excellence**

*Crude & oil products supply and trading is at the epicentre of an integrated oil company activities. Optimising the purchase and sale of various crudes ensure profits for upstream activities while electing the right combination of crude slate enable to optimise yields significantly impacting refining profitability. Purchasing oil products at a competitive price will boost the competitiveness of the marketing business.*

*With increasingly complex oil markets and growing volatility, an oil company is exposed to significant pricing exposure that may threaten its profitability if not managed adequately either physically or through the use of derivatives.*



## Course Objective

The program is designed for **professionals with a background in Planning, Logistics, Engineering, Sales or Operations** who want to enhance their understanding of supply and trading. The following topics are covered:

- Detailed understanding of the main supply concepts related physical oil and paper markets.
- Introduction to freight and arbitrage.
- The role of physical assets (storage, pipelines and refineries) in the supply chain.
- Detailed tender, structuring and normalization processes of physical purchase and sale of crude oil and petroleum products.
- Understanding pricing exposure and volatility.
- Introduction to commodities hedging.

This is a **theoretical** and **practical** course that combines lectures with a **daily exercise** that builds on the knowledge gained during the training about key trading concepts, commercial deals, priced inventory management and hedging. The course is given by a KPI Supply specialist with more than 30 years working experience and a KPI Supply specialist with 10 years commercial experience in analytics, supply and trading.

### Practical

Course duration:	4 days
# participant:	max. 15
Location:	on request

## Course Modules

### Module 1: Fundamentals of Supply & Trading

Introduction to the key concepts of supply and demand, product flows, and latest market trends.

Module 1 will acquaint the participant with oil trading markets and pricing hubs. By the end of day 1, he/she will have a sound understanding of the main supply dynamics and the importance of assets within the oil supply chain.

### Module 2: Freight, Crude and Oil Products

Module 2 will highlight the crucial role of freight and introduce the concept of arbitrage. By the end of the day, the participant will have gained a solid understand the specificities of crude and petroleum products from crude density to yields, spread, cracks and forward curves. He/she will know what to be mindful of what to look for when sourcing product and ready to start Module 3!

### Module 3: Buying and Selling Crude Oil and Products

In this module, the participant will gain insight in the knowledge required to buy and sell products on a spot and term basis. He/she will learn how to tender, build and read a commercial offer. The participant will explore how to normalise supply offers to choose the most profitable options among various commercial proposals with different criteria. Finally the day will conclude by examining how spot and term deals affect inventory levels and how priced inventories should be managed.

### Module 4: Introduction to hedging

This module will give an overview of the key concept of pricing exposure, rateability and volatility. The participants will be acquainted with the concept of hedging and the various tools at one's disposal to manage exposure.

He/will she will discover the mechanics of swap and futures and how to hedge using both instruments. Finally the module will end with the review of statistical tools available to assess the efficiency of one's hedging position.

For more information: please visit [www.Q8Research.com](http://www.Q8Research.com)

For questions, please call +32 496 58 00 86 or send an email to [mahaute@Q8.com](mailto:mahaute@Q8.com)