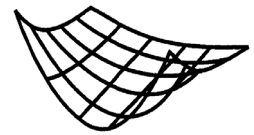


Energy, Commodity and Carbon Trading Practitioner Workshop at QMF 2006 19 December 2006 – Sydney, Australia



Quantitative Finance Research Centre



Valuation of Financial Products in Energy, Commodity and Carbon Trading

Abstract

Prospering economies are highly dependent on commodities. Thus, commodity price risk is of crucial importance in risk management and decision making. In this framework, increasing attention is paid to energy related commodities such as fuels, gas, electricity and carbon emission allowances. Unlike the derivatives of financial assets, commodity options exhibit distinct particularities owing to the physical aspects of the underlying. The implementation of pricing concepts in commodity models challenges technical and technological constraints. It has to take into account storability restrictions and the non-feasibility of efficient dynamic hedging.

This workshop aims to reveal how to compose various details of commodity price risk in a consistent pattern. Addressing principles behind the fair valuation of commodity derivatives, participants are presented a unified view on traditional and innovative pricing techniques, with a focus on their advantages and limitations. The workshop provides a comprehensive treatment of diverse option valuation and model calibration methodologies. Increasingly important problems in energy risk management, such as valuation of environmental liabilities in the framework of the Kyoto protocol, will be brought into perspective.

- Novel approaches to energy and commodity risk valuation
- A unified view on commodity price modeling
- Storage cost aspects in option pricing
- Valuation of caps, floors, collars, calendar and cross commodity spreads
- Market fundamentals and economic drivers for carbon trading
- Valuation of financial products involving carbon prices



Juri Hinz leads the Financial Engineering Group at the Institute for Operations Research at ETH Zurich. His current research focuses on applications of financial mathematics to problems arising from the liberalisation of the energy industry. His publications deal with real-time auctions on electricity, modeling day-ahead electricity prices, pricing commodity derivatives and portfolio optimisation. He supervises research projects at ETH Zurich, consults for energy-related companies and is a frequent lecturer in training courses for industry in the area of commodity risk management.

Information

This workshop at QMF 2006:

\$1,100 (payment on/before 20 Oct 06)

\$1,250 (payment made after 20 Oct 06)

Two workshops at QMF 2006:

\$2,100 (payment on/before 20 Oct 06)

\$2,250 (payment made after 20 Oct 06)

The fee includes GST, morning and afternoon teas, and lunch.

Date & Time

19 December 2006 / 9.00 am - 5.00 pm

Registration

The number of participants is limited so please register for this workshop as soon as possible. Contact the Conference Coordinator to receive a registration form or visit the QFRC website.

Venue

School of Finance & Economics
University of Technology, Sydney
Level 3, Building 5, Block D
1-59 Quay Street,
Haymarket NSW 2007

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