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<http://commoditytrading.ch>

Diploma of Advanced Studies
Commodity Trading



**UNIVERSITÉ
 DE GENÈVE**

FACULTÉ DES SCIENCES
 ÉCONOMIQUES ET SOCIALES

Hes·SO // GENÈVE

Haute Ecole Spécialisée
 de Suisse occidentale



**GENEVE
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Haute école de gestion
 Genève





Diploma of Advanced Studies **Commodity Trading**

DIPLÔMES, MASTERS ET CERTIFICATS DE FORMATION CONTINUE UNIVERSITAIRE:

GESTION D'ENTREPRISE · CONTRÔLE DE GESTION · CRÉATIONS DE LUXE ET MÉTIERS DE L'ART · E-BUSINESS & E-COMMUNICATION · ENTREPRENEURSHIP & BUSINESS DEVELOPMENT · GESTION DES RESSOURCES HUMAINES · GESTION DES RISQUES D'ENTREPRISE · GESTION QUANTITATIVE DE PORTEFEUILLE · GESTION ET MANAGEMENT DANS LES ORGANISMES SANS BUT LUCRATIF · MANAGEMENT DE PROJETS · MANAGEMENT DES INSTITUTIONS DE SANTÉ · MANAGEMENT DES INSTITUTIONS SOCIALES · MANAGEMENT STRATÉGIQUE ACHATS, LOGISTIQUE ET APPROVISIONNEMENTS · NORMES INTERNATIONALES IFRS / IPSAS · SÉCURITÉ DES SYSTÈMES D'INFORMATION · STRATÉGIE EN MARKETING · STRATÉGIE MARKETING, COMMUNICATION & E-BUSINESS · COMMODITY TRADING · CORPORATE SOCIAL RESPONSIBILITIES · MANAGEMENT 2.0 TELECOMMUNICATIONS & INTERNET · EXECUTIVE MBA · MBA EN EMPLOI · INTERNATIONAL ORGANIZATIONS MBA (IOMBA)

Diploma of Advanced Studies in Commodity Trading



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Introduction

Geneva has become a world centre of commodity trading financial transactions in recent years. Overall, it is estimated that 40% of international commodity trading takes place in the Geneva area.

A few hundred businesses work in the Canton directly or indirectly for this sector, representing between 5,000 and 6,000 employees. All these businesses have one thing in common: the need for specialized and continual training in the sector, for professionals, in Geneva.

In response, HEC, Université de Genève, the Geneva Trading and Shipping Association (G TSA) and HEG, HES-SO have joined together to create the Diploma in Advanced studies in Commodity Trading. Created with and for professionals, the diploma is conducted to best fit with the demands of working while studying.

Objectives

Designed for professionals who want to stay at the peak of their game in commodity trading, move up into a new area within their field, or make a career change, the Diploma of Advanced Studies in Commodity Trading provides professionals with a strong and thorough programme of study which focuses on the commodities trading contract, risk management, and the financing of trading activities.

This programme has four objectives in order to improve participants' performance working in or with the commodities trading sector:

- provide a solid understanding of commodities markets
- show what is involved in a trading contract
- explain all aspects of risk management in trading
- describe the financing of trading activities

For students who wish to go even further, this programme can be used to complete an MBA in English at HEC, University of Geneva.

Who Should Attend ?

Those connected to the trading industry who want to fully understand the global picture and functioning of the commodities market, plus the economic and financial implications of that market for their profession: corporate and financial auditing, fiduciaries, IT, banking, legal and law firms, insurance, import/export, and of course, those in shipping and trading.

The Commodity Trading Diploma is designed for those who would like to further their education in the area of commodity trading, or for those who are considering making a career change and would like to work in the field.





Task Force Committee

Pierre ALLAN, Professor, Department of Political Science, University of Geneva

Geert DESCHEEMAEKER, Director DHD Management Sarl and Secretary General of GTSA (Geneva Trading and Shipping Association)

Magali DUBOSSON TORBAY, Director of Geneva School of Business Administration, University of Applied Sciences, Western Switzerland (HEG, HES-SO - Haute Ecole de Gestion de Genève, Haute Ecole Spécialisée de Suisse Occidentale).

Emmanuel FRAGNIÈRE, Professor, Department of Business Economics, Geneva School of Business Administration University of Applied Sciences, Western Switzerland (HEG, HES-SO - Haute Ecole de Gestion de Genève, Haute Ecole Spécialisée de Suisse occidentale)

Rafael HUBER, EMEA Learning and Development Manager, Cargill, Switzerland

Bernhard LIPPUNER, Former Region Head, Credit Suisse, Switzerland

Bernard MORARD, Dean of the Faculty of Economics and Social Sciences, University of Geneva

Cornelis VRINS, Director, Allseeds Management SA

Jean-Paul VULLIETY, Professor, School of Business (HEC), University of Geneva

Teaching Format

The Diploma consists of 11 modules of 24 hours each. Regular courses take place on every other Friday afternoon and Saturday morning. Each module is subject to an evaluation so the candidates must attend every single class.

For each hour of instruction, 2 hours of reading, preparation, case studies and homework are required. The whole program is in English.

This program has been created by HEC University of Geneva, HEG and the Geneva Trading and Shipping Association (GTSA) which represents some of the most important trading companies in the world. The lectures will be given by well known professors and experts in the trading field.

Diploma

The Diploma of Advances Studies in Commodity Trading is delivered jointly by HEC, University of Geneva and HEG, HES-SO



The Programme

Module

1 Basics of Commodity Trading, Worldwide Trade Flows

- ❑ International supply and demand for commodities - volume, flows/distribution, production, consumption
- ❑ General overview of the different types of commodities: Agri-commodities, Metals, Ores and Minerals, Energy Products and Gas, Non-tangibles
- ❑ Markets and players (banks, hedge funds, trading companies, Exchanges, governments)
- ❑ How the commodity markets fit within the larger capital markets

Module

2 The Trading Contract

2.1. Structure of a commodity trading contract

- ❑ Example of a contract in soft commodities
- ❑ Example of a contract in oil and oil products commodities

2.2. Quality and Quantity

- ❑ Main quality characteristics for different commodities
- ❑ Quality determination
- ❑ Quantity determination: different inspection methods

2.3. Commodity Price Mechanisms

- ❑ Pricing: Fixed price / Formula based pricing
- ❑ The role of Exchanges for different commodities: ICE, NYMEX, Kansas City, Chicago, New York, etc.
- ❑ Introduction to futures markets as a means for hedging

Module

3 Delivery Terms and Shipping

- ❑ The technique of the ship: definition of terms, Archimedes law impact, measurements, classification, SOLAS/ISPS international security laws
- ❑ Types of ships: dry cargo, tankers, container ships, specialised ships
- ❑ Freight and hire: per day, per metric ton, application of worldscale for tankers
- ❑ Charter Parties: bareboat charter, time charter, voyage charter, COA, detailed analysis of CP clauses
- ❑ Voyage calculations: round, backhaul, fronthaul, short and long period
- ❑ Land transport: barges, rail, road and storage
- ❑ Port issues: access, loading discharge, the role of the ship agents and other intermediaries
- ❑ Transfer of risk and property: introduction to Incoterms

Module

4 Legal Aspects of Trading and Shipping

- ❑ Carriage by Sea Act, Hague and Hamburg rules, present situation
- ❑ Documents of Title
- ❑ International and regional organisations and conventions, international trade theories and regulations/regulatory regimes including the IMO, IMB, ICC
- ❑ The sale contract
- ❑ Main contract terms: quantity, quality, price, delivery, load and discharge terms, payment terms (Incoterms)
- ❑ Specific terms, legal terms
- ❑ Dispute resolution: mediation, arbitration, litigation

Module

5 Risk Management; Commodity Price Risk Issues - Part I

5.1. Identifying the risks

- ❑ What are the risks ?
- ❑ How do you measure risk ?
- ❑ Internal hedging techniques
- ❑ Does the hedge create risks ?

5.2. The elements of modern risk management

- ❑ Control of risk (tenor/volume/limit)
- ❑ Organisational process
- ❑ Position capture
- ❑ Mark-to-market
- ❑ P&L Analysis
- ❑ Setting and monitoring limits

Module

6 Risk Management: Commodity Price Risk Issues - Part II

The risks in derivatives

- Price risk as a component of physical risk exposure
- Understanding option risks
- Review of option pricing assumptions
- Insurance cover: the “On and Off” balance sheet issue
- Value at risk, current risk issues
- Recent disasters and developments
- Is risk management the same for FX/interest rate/commodities ?
- Identification mitigation and management
- Losses and failures of the risk process
- Diagnosing risk process problems

Module

7 Physical and Other Risks

7.1. Physical Risks and Insurance

- Cargo Insurance Policy and clauses applying to specific insurance market
- Charterers' liability coverage
- Hull and Machinery, Protection and Indemnity cover, Freight Demurrage and Defence

7.2. Other Risks

- Political risk policy, credit risk insurance
- Reputational risk
- Ecological risk

Module

8 Financial Instruments and Payments Terms

- Documentary credits, stand-by L/Cs
- Guarantees, bid and performance bonds
- Documentary collections
- UCP rules
- Transferable L/Cs, back-to-back L/Cs
- Red-clause L/Cs, revolving L/Cs
- Letters of indemnity

Module

9 Financing of Commodity Trading Activities

The course first introduces various commodity financing methods such as:

- transactional finance
- structured finance
- pre-export finance
- prefinancing
- borrowing basis
- Forfeiting/discounting
- Etc.

In this section, the course objective is to make sure participants become familiar with each of these financing methods and are able to fully apprehend both the technical aspects and the sources of risk of the financing of commodity trading (supplier/performance risk political risk, price risk, risk deriving from the commodity, non-repayment risk,) and how to mitigate them.

Module

10 Credit Analysis

In a second section, the course presents each step of the credit decision making process from the initial credit analysis up to the final decision made by the credit committee.

In particular, the participants will become familiar with all aspects related to the completion of a credit application file:

- Definition and structuring of the credit line matching the borrowers needs for finance ;
- Brief company description
- Company presentation and its purpose in its market, strategy developed by the management
- Trade flows presentation (buy – sell)
- Financial analysis
- Risk analysis (stemming from the credit line and operations)
- Recommendation to the committee

Module

11 Commodity Trading Game

11.1. Management

- Trading group
- Trade timing
- P/L
- Market informations
- Loans

11.2. Trading concepts application

- Spreads
- Hedges
- Market anticipation
- Position taking

11.3. Main exchange contract specifications



Evaluation

Evaluation criteria are defined independently for each course and follow normal university standards.

In order to obtain the diploma, students must attend each course, hand in all assignments and write all exams. Any absence must be justified appropriately. An overall average of 4.0 must be achieved in order to graduate, and not more than one mark between 3.0 and 4.0 will be accepted. A mark lower than 3.0 will automatically disqualify the student from obtaining the diploma, and the student will have to re-take the course the following year.

Students attending only one or several modules will receive an official “attestation” documenting their participation in the course.



MBA Major in Trading

Completed courses may be credited also towards an MBA (in English) with a major in Trading.

Admission criteria for the MBA

- must have a university degree from a renowned institution (Bachelor level or equivalent)
- must have at least 3 years of relevant work experience
- must be comfortable with Microsoft Office

Students attending only one or several modules will receive an official “attestation” documenting their participation in the course.

For more information, please contact:

MBA Programme

HEC Université de Genève - UNI MAIL
40, Boulevard du Pont d'Arve, 1205 Genève

Tel : +41 22 379 81 12, Fax : +41 22 379 81 04
E-mail : emba-hec@unige.ch
www.emba.unige.ch

Accredited by
**Association
of MBAs**



Practical Information

Location:

Courses will alternate between UNI MAIL, HEC Voie Creuse and HEG

UNI MAIL

40 Bd du Pont d'Arve
CH- 1211 Genève 4

Voie Creuse

HEC, Université de Genève
16 Chemin de la Voie Creuse
1202 Genève

Haute Ecole de Gestion de Genève

Campus de Battelle, Bâtiment F
7 route de Drize
1227 Carouge



Université de Genève - Jacques Erard

Schedule:

Bi-weekly Friday afternoons and Saturday mornings:
Fridays from 2.15 p.m until 9 p.m.
Saturdays from 8 a.m. until 1 p.m.

Fees:

CHF 15'000* - (includes all 11 modules)
Individual modules can be attended at a price of CHF 1,800* per module

For Geneva citizens: a Chèque Formation Emploi of CHF 750 per year for 3 years can be acquired under certain conditions. Please contact:

Office pour l'orientation, la formation professionnelle et continue (OFPC) du Canton de Genève

tel : +41 22 388 44 00
<http://www.geneve.ch/ofpc/>

Service des allocations d'études et d'apprentissage (SAEA)

tel : +41 22 388 73 50

Candidates should have a laptop computer.

* Costs are subject to change without prior notice

How to Apply

Applications must include the following documents

- 1) Application form completed and signed that you can download from our website
- 2) Your updated resume in English
- 3) 2 passport pictures
- 4) A cover letter in English
- 5) Letters of recommendation

An email address is required.

Admission criteria:

- Fluency in English. The programme is taught in English. While there is no language test to enter the programme, however, participants must be comfortable with written and spoken English.
- A minimum of 3 years professional experience in an international environment
- A background in Economics, Finance or Management
- Comfortable with Microsoft Office

Registration Information

Applications will be accepted until **15th June**, or one month before the beginning of the module/s you wish to study if you choose to not follow the whole program. Please send your application form to the address below:

Diplôme de Formation Continue: Commodity Trading
HEC, Université de Genève
16, chemin de la Voie Creuse
CH 1202 Genève

Applications received after the deadline will be taken into consideration only if there are available places. You will be notified via email that we have received your application.

For more information, please contact:

Céline Wolfson: + 41 22 379 86 98
Email: celine.wolfson@unige.ch
Web site: <http://commoditytrading.ch>

Diploma of Advanced Studies in
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Diplôme de Formation Continue: **Commodity Trading**

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