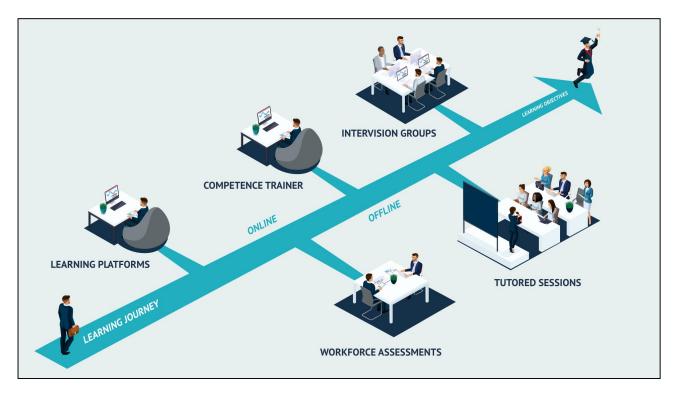
# SCHOOLOF

COMMODITY

# TRADING

FOR NEW RECRUITS & CAREER MOVERS



FOR PROFESSIONALS IN THE COMMODITY MARKETS

Making your staff & teams fit-for-purpose amidst the increasing market complexity and uncertainty.

# A BLENDED APPROACH & CONTINUOUS PROFESSIONAL DEVELOPMENT

# SCHOOL OF COMMODITY TRADING

A COMPREHENSIVE LEARNING JOURNEY FOR NEW RECRUITS & CAREER CHANGERS, PLUS DEEP-DIVES FOR JUNIORS & MEDIORS

Assessments, programmes, tests, exams & certification

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#### **EXECUTIVE SUMMARY**

The need for qualified employees has never been so high as today. However, it is hard to recruit the right people. The School of Commodity Trading provides a solution. A comprehensive, high quality programme with focus at daily practice will bring you staff that is fit for the job.

Markets are complex systems requiring a multi-disciplinary approach to practical challenges. Lately, markets have become even more complex; amongst others, due to increased regulation. Besides, being/becoming successful in a competitive environment requires specific knowledge and skills. Hence, a boost in getting up to speed and thereafter a never-ending learning journey is key to a good and sustainable performance. Besides, communication, joy and effectivity will also increase along the path of getting more knowledgeable.

Today, the job market in commodity trading is overstrained. Organisations in the markets face quite a challenge to recruit qualified and knowledgeable professionals. In addition, it is a challenge to maintain the working force as employees are hunted by competitors and other parties.

The foundation of career paths for business experts around OTC and exchange-traded and -cleared commodities is key to the performance of individuals, teams and organisations.

The School kick-starts the career of new recruits without any experience in the commodity markets, while it makes way in a complex working environment. Deep-dives for juniors and mediors are another leg of The School.

The School establishes a high-qualitative studies recognised and supported by the wide industry, trading community and involved market participants.

Learning journeys have been developed to provide employers a solution, while offering them the opportunity to actively contribute to the inflow of interested learners, the provision of tutors, and the creation of high standards around the level of education and training.

- ✓ The provision of a comprehensive learning journey for new recruits who require a solid background in the commodity markets.
- ✓ Juniors and mediors should be provided with continuous professional development, and be offered an environment in which they can interact with and learn from peers.

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#### **VISION & MISSION – STRATEGY & POLICY**

This section sets out the vision and mission which have led to this business proposition.

#### Vision:

The job market is overstrained. Organisations in the commodity markets face quite a challenge to recruit qualified and knowledgeable professionals. In addition, it is a challenge to maintain the working force as employees are hunted by competitors and other parties.

Furthermore, markets are complex systems. Becoming successful in a competitive environment requires specific knowledge and skills. Hence, a boost in getting up to speed and thereafter a never-ending learning journey is key to a good and sustainable performance. Besides, communication, joy and effectivity will also increase along the path of getting more knowledgeable.

#### Mission

The creation of a career path for business experts around OTC and exchange-traded and - cleared commodities.

Kick-start the career of new recruits without any experience in the commodity markets, as well as making way in a complex working environment.

Establish a high-qualitative study recognised and supported by the wide industry, trading community and involved market participants.

To meet the vision and mission described above, a business proposition has been developed to provide employers a solution to their problem, while offering them the opportunity to actively contribute to the inflow of interested students and creation of high standards around the level of education and training.

#### New recruits

The provision of a comprehensive learning journey for new recruits who lack any background in the commodity markets.

#### Juniors & mediors

Experienced staff is provided with continuous professional development, and offer an environment in which they can interact with and learn from peers.

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#### **TARGET GROUPS** – EMPLOYERS

The learning journeys of the School of Commodity Trading could be useful for employers in the following categories:

#### Market facilitators

Examples:

- Brokerage firms
- o Exchanges (and other trading venues)
- o Clearing organisations (clearning houses, clearning banks)
- o Shipowners & charterers

#### Organisations with a trading function

- o Commodity producers, including mining firms & agro giants
- o Commodity trading firms
- o Oil & gas companies

#### Organisations with a control function

- o Regulatory authorities
- Accountancy firms
- Legal firms
- Auditing firms

#### Organisations with a support function

- Data & news providers
- Price reporting agencies
- Consultancy companies
- o Financial institutions, including clearing banks

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#### **IN-COMPANY SOLUTION**

Any employer can make use of this business proposition if they have a group of employees whom they want to offer this learning journey, for example recruits who they want to provide with a kick-start of their career. Hence, a learning journey is provided to throroughly educate newly hired employees.

#### **Timing**

Ideally, employees are first trained, before participating in the work environment. The idea of the start of the learning journey (i.e the first 3 months) is to provide them with the fundamentals of markets, and to provide them a basic logic about trading, so that the integration on the workfloor is drastically decreased, making this proposition time-efficient and cost-effective.

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#### **LEARNING SERVICES**

Supplier will provide each Learner with the following learning services (a multitude of learning styles):



**Learning platform - Markets & Trading - Online, Self-study** 

Each Learner is provided with a Learning Licence, which grants access during a 12-month period.



<u>Learning</u> platform - Trade Compliance & Surveillance - Online, Self-study Each Learner is provided with a Learning Licence, which grants access during a

12-month period.



**Intervision** Group - Markets & Trading - Online

Each Learner is provided with a Membership, which grants participation during a 12-month period.



**Intervision** Group - Trade Compliance & Surveillance - Online

Each Learner is provided with a Membership, which grants participation during a 12-month period.



Competence Trainer (Trading <u>Simulation</u> platform) – Online, Self-study

Each Learner is provided with a Simulation Licence, which grants access during a 12-month period.



Workshop(s)

\*\*\* Tutoring \*\*\* - Online & On-site

\*\*\* Practical \*\*\*

Each Learner participates a range of workshops, which allow for interactivity and provide a foundation for developing skills and competences.



**Books** - Soft covers/eBooks \*\*\* Self-study \*\*\*

A selection of handbooks (min. 4 titles).

Reference materials.



Assigment(s)

- Essay

Group assignment(s). Collaboration.

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## **CANDIDATES**

- ✓ Get your degree by intensive schooling
- ✓ MBA-alike programme
- ✓ Intensive 1-year learning journey
- ✓ Increased job perspective

**CREDENTIALS** 

#### **Prerequisites**

Learners are required as a minimum:

- Master in English language (reading, speaking, writing)
- Intermediate vocational education (including undergraduates & graduates)

#### **Credentials**

This journey paves the way to kick-start the career of the learners.

- Theoretical basis Scientific backing
- Practical application / pragmatism / hands-on approach

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### **CONTENT**

The content of the learning journey includes the following:

- The commodity supply chain
- Fundamentals & essentials of markets and trading
- Trading strategies, trading technicalities, trading tools, technology and systems, trading operations, controls, risk management, compliance and reporting.
- Activities, processes and concepts, plus related terminology

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# ANNEX I: **FOUNDATION PROGRAMME**

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#### **PROGRAMME**

#### Content

The content of the learning journey includes the following:

- The commodity supply chain.
- Fundamentals & essentials of commodity markets and trading.
- Trading strategies, trading technicalities, trading tools, technology and systems, trading operations, controls, risk management, compliance and reporting.
- Activities, processes and concepts, plus related terminology.

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### "SCHOOL OF COMMODITY TRADING"

SUPER COMPREHENSIVE LEARNING JOURNEY – In English language

Duration	In total:
= 2	- 1-year programme
	Timings:
	- Spring cohort starting on 1 <sup>st</sup> Tuesday of February
	- Autumn cohort starting on 1st Tuesday of September
Methodology	A learner is provided with the following learning services:
	<ul><li>Self-study:</li></ul>
	365 days access to Learning Platform – "Markets & Trading"
	<ul> <li>365 days access to Learning Platform – "Trade Compliance &amp; Surveill."</li> <li>365 days access to Competence Trainer (Simulation Platform)</li> </ul>
	<ul> <li>Mentoring services:</li> </ul>
	365 days membership of Intervision Group – "Markets & Trading"
	> 365 days membership of Intervision Group – "Trade Compliance & Sur."
	<ul><li>Live-tutoring:</li></ul>
	<ul> <li>13 workshops (online &amp; on-site)</li> </ul>
	Study materials:
	<ul> <li>A series of handbooks (hardcopy)</li> </ul>
	Other materials (accessible via Learning Platform)
Skills areas supported	> Analysis
	> Trading
	<ul><li>Product knowledge</li><li>Pricing</li></ul>
	<ul><li>Pricing</li><li>Risk management</li></ul>
	> Trade operations
	Finance
Target audience	New recruits (or juniors) in the front, middle and back office
Skills development &	Master/understand/being able to interpret/work with:
Learning objectives	<ul><li>Markets</li></ul>
	<ul><li>Products</li></ul>
	<ul> <li>Pricing</li> </ul>
	■ Trading
	■ Risk
	<ul> <li>Hedging</li> </ul>
	<ul> <li>Derivatives</li> </ul>
	<ul> <li>Trading operations</li> </ul>
	Trading strategies
To the ordina atom category	• Flexibility
Tutor/instructor	Various (Course director: t.b.d.)
Materials provided	✓ Book "Commodity & Energy Markets" ✓ Book "Commodity & Energy Trading"
Drogrammo	✓ Book "Commodity & Energy Trading"  Launch
Programme	KICK-OFF
	An online introduction of 30 minutes
	<ul> <li>Introduction to the programme – Explaning the setup, as well as the rights &amp; responsibilities.</li> </ul>
	Week 1 COMMODITY VALUE CHAINS
	COMMODITY VALUE CHAINS

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This module covers a 1-day online workshop covering the following topics:

- Metals (precious and industrial), agricultural products, power, crude & distillates, natural gas & LNG, bio-energy, hydrogen, heat, emission rights & attribute certificates.
- Supply chains Upstream, midstream and downstream activities and capacity.

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Commodities
      - Metals
      - Agricultural commodities
      - Climate change & energy policy
      - Bio-energy
      - Carbon markets & emission rights trading
- Follow Mentoring sessions:
  - Attend Intervision Group "Markets & Trading"
  - Attend Intervision Group "Trade Compliance & Surveillance"

#### Week 2

#### **MARKETS & ORGANISATIONS**

This module covers a 1-day online workshop covering the following topics:

- Stakeholders The roles of market participants, brokerage firms, trading venues, clearing organisations, system operators, policy makers, regulators, and their relations / interactions.
- Industry bodies.
- The trade organisation: business, control and support functions.

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Commodity markets
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### Week 3

#### **TRADING**

This module covers a 1-day online workshop covering the following topics:

- Why, where, when and how does trading take place?
- Bilateral deal-making versus exchange trading.
- The role of brokers, exchanges, clearing houses, clearing members and fee structures.

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Reasons to transact
      - Bilateral deal-making & OTC markets
      - Exchange-trading
      - OTC trading platforms
      - Central orderbook
      - Order types
      - Metals Trading, derivatives & hedging
      - Agricultural commodities *Trading, derivatives & hedging*

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- o Competence Trainer (Simulation Platform):
  - Run a simulation:
    - Market analysis
      - Screen-based trading
    - Financial performance (P/L)
    - Central order book Order initiation
- Follow Mentoring sessions:
  - Attend Intervision Group "Markets & Trading"
  - Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### **CONTRACTS**

This module covers a 1-day online workshop covering the following topics:

- Supply contracts Volume & price
- Supply contracts Take-or-pay, volume flexibility, swing optionality.
- Spot & forward contracts
- Derivative contracts Futures, swaps and options.

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Derivatives Introduction
      - Derivatives Position management
      - Forward curves
      - Options Introduction
  - o Competence Trainer (Simulation Platform):
    - Run a simulation:
      - Futures At position level
      - Futures At portfolio level
      - Options Call option
      - Options Put option
- Follow Mentoring sessions:
  - Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - o This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### Week 5

#### **PRICING & ANALYTICS**

This module covers a 1-day online workshop covering the following topics:

- Price discovery & the role of price reporting agencies.
- Market analysis.
- Price formation Driving factors, central order book and order flow.
- Indexes, indexation, benchmarks and settlement prices.

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Commodity pricing
      - Commodity indices & price-indexation
      - Price volatility
  - o Competence Trainer (Simulation Platform):
    - Run a simulation:
      - Forward curve
- Follow Mentoring sessions:

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- o Attend Intervision Group "Markets & Trading"
- o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - o This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### **CONTRACT MANAGEMENT**

This module covers a 1-day online workshop covering the following topics:

- Master agreements
- Credit support CSAs
- Supply contracts

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Master agreements
- Follow Mentoring sessions:
  - Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - o This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### Week 7

#### **RISK MANAGEMENT**

This module covers a 1-day online workshop covering the following topics:

- Market (price) risk & market (price) risk management
- Counterparty risk & credit risk management
- Liquidity risk & liquidity risk management
- Compliance risk & compliance risk management
- Operational risk & operational risk management
- Mandates & limit settings

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Risk & opportunity
      - The risk management organisation
      - Value at risk
      - Weather risk
  - Competence Trainer (Simulation Platform):
    - Run a simulation:
      - Exposure assessment
      - Value at risk
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - $\circ \quad \text{ This week's assignment } \\$
  - o Learners will be provided feedback regarding the previous assignment

#### Week 8

#### **REGULATION & COMPLIANCE**

This module covers a 1-day online workshop covering the following topics:

- Market regulations
- Trade compliance Shielding employer & employees
- Reputational risk management & sanctioning

In addition, the candidate is supposed to:

Perform self-study:

- Learning Platform "Trade Compliance & Surveillance":
  - Follow course:
    - Trade compliance The basics
    - Morality
    - Ethical blindness
- Follow Mentoring sessions:
  - Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### **FINANCIAL CRIME & MARKET ABUSE**

This module covers a 1-day online workshop covering the following topics:

- Money laudering, bribery, VAT fraud, insider trading and market manipulation
- KYC
- Market monitoring & trade surveillance
- People, systems & arrangements
- Case handling

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Tdae Compliance & Surveillance":
    - Follow course:
      - Introduction to financial crime
        - Money laundering
      - Terrorist finance
      - Bribery
      - Financial fraud
      - Tax fraud
      - Employee fraud
      - Market abuse
      - Surveillance Financial crime A holistic approach
      - Trade surveillance The basics
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - $\circ \quad \text{ This week's assignment } \\$
  - o Learners will be provided feedback regarding the previous assignment

#### Week 10

#### TRADING OPERATIONS - CLEARING & SETTLEMENT

This module covers a 1-day online workshop covering the following topics:

- Trade confirmations
- Clearing
  - o Risks involved with CCP's and clearing banks
  - $\circ\quad$  Accounts and related risks (individual seggregated, omnibus)
  - o Default fund, defaults and close outs
  - Collateralisation & margining
- Settlement
- The nomination process

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Clearing
      - Netting
      - Margining
      - Settlement

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- Competemce Trainer (Simulation Platform):
  - Run a simulation:
    - Margin requirements
    - Futures At position level
    - Futures At portfolio level
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - o This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### **FINANCE & QUANTITATIVE ANALYSIS**

This module covers a 1-day online workshop covering the following topics:

- Mark-to-market (M-to-M) valuation & reporting
- Book structures
- Internal transfers & internal transfer pricing
- Performance measures
- Physical assets & gross margins
- Time, location and cross-commodity spreads

In addition, the candidate is supposed to:

- Perform self-study:
  - Learning Platform "Markets & Trading":
    - Follow course:
      - Flexibility
      - Modelling
      - Spreads & spread trading
  - o Simulation Platform Entrima:
    - Run a simulation:
      - Soybean Crush spread
      - Oil Crack spread
      - Oil Location spread
      - Copper Time spread
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance & Surveillance"
- Hand-in group/individual assignment:
  - o This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### Week 12

#### ICT

This module covers a 1-day online workshop covering the following topics:

- Trading tools & technology
- Trading & risk management (TRM) systems
- Data & systems

In addition, the candidate is supposed to:

- Perform self-study:
  - o Learning Platform "Markets & Trading":
    - Follow course:
      - Trading & risk management systems
- Follow Mentoring sessions:
  - o Attend Intervision Group "Markets & Trading"
  - o Attend Intervision Group "Trade Compliance" & Surveillance"
- Hand-in group/individual assignment:
  - This week's assignment
  - o Learners will be provided feedback regarding the previous assignment

#### Week 13

	ASSIGMENTS
	This module covers a 1-day online workshop covering the following topics:
	■ Group assignment
	o Document
	o Present
	<ul> <li>Individual task</li> </ul>
	<ul> <li>Document</li> </ul>
	o Present
	In addition, the candidate is supposed to:
	<ul> <li>Follow Mentoring sessions:</li> </ul>
	<ul> <li>Attend Intervision Group – "Markets &amp; Trading"</li> </ul>
	o Attend Intervision Group – "Trade Compliance & Surveillance"
	<u>Week 14-51</u>
	SELF-STUDY & MENTORING
	This module requires candicates to do the following:
	<ul><li>Perform Self-study</li></ul>
	<ul> <li>Run simulations on Simulation Platform</li> </ul>
	<ul> <li>Attend courses &amp; take exams (and be certified) on Learning Platform –</li> <li>"Markets &amp; Trading"</li> </ul>
	<ul> <li>Attend courses &amp; take exams on Learning Platform – "Trade Compliance &amp; Surveillance"</li> </ul>
	<ul> <li>Attend <i>Mentoring</i> services</li> </ul>
	<ul> <li>Attend weekly sessions Intervision Goup "Markets &amp; Trading" + Participate ongoing in community</li> </ul>
	<ul> <li>Attend weekly sessions Intervision Goup "Tradie Compliance &amp;</li> </ul>
	Surveillance" + Participate ongoing in community
	<u>Week 52</u>
	DIPLOMA
	This module covers a 1-day meeting.
	This is the last building block of the learning journey by handing the diploma, thereby
	formalising and finalising the programme.
Options	Further tailoring for in-house delivery is possible
Level	Foundation level

### **Timings**

The tutoring (online/on-site) takes place on Tuesdays, 09:00-15:00 CET.

09:00-10:30 **Session 1**10:30-10:45 Coffee break
10:45-12:00 **Session 2**12:00-12:30 Lunch break
12:30-13:45 **Session 3**13:45-14:00 Coffee break
14:00-15:00 **Session 4** 

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## **CONTACT DETAILS**

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