





LEARN MORE ABOUT THE AUSTRALIAN POWER & CARBON MARKET

d-cyphaTrade is now running 4 separate workshops aimed to increase your understanding of the "recession proof" dcyphaTrade ASX Australian Electricity Futures and Options Market. Workshops available include:

- 1. Australian Electricity Futures & Options Workshop
- 2. Electricity Options Trading Workshop
- 3. Electricity Futures Data Workshop
- 4. Carbon Trading Workshop

WHO SHOULD ATTEND

- > NEM Participants;
- > Commericial & Investment Banks;
- > Brokers, Prime Brokers and Clearing Firms;
- > Hedge Funds and Institutional Investors;
- > Risk managers;
- > Portfolio Managers;
- > Front Office Traders;
- > Analysts; and
- > Industry Regulators.

DELIVERING EXCHANGE TRADED ENERGY DERIVATIVES TO THE AUSTRALIAN MARKET



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WORKSHOP DETAILS

DATE:	ТВА
PRESENTER:	Dean Price General Manager
	Thomas Schmitz Executive Manager Product Development & Sales
VENUE:	ТВА
DURATION:	9am – 4pm (7 hrs)
FEES:	AUD \$1,000 (ex GST) pp
MATERIALS:	Workshop notes, refreshments & lunch. Certificate will be provided at workshop

completion.

WORKSHOP CONTENT

>			
>		alian Electricity Pool Market	
	>	Introduction to the spot market	
	>	Fundamental drivers of the spot price	
	>	Information sources	
>	The Austra	alian Electricity Futures and Options Market	
	>	Market Liquidity and Price History	
	>	Fundamental drivers of futures prices	
	>	The Forward Curve & impact on energy-intensive industries	
>	> Hedging with futures and options		
	>	Hedging techniques for generators	
	>	Hedging techniques for retailers & large energy users	
	>	Hedging techniques for retailers & large energy users	
>	Character	istics of the Centrally Cleared Futures Market	
	>	Collateral funding efficiencies for trading operations (OTC versus SFE)	
	>	Compliance benefits	
	>	Hedge Accounting benefits, AASB 139	
>	Electricity	Futures and Options Contract Specifications	
	>	Futures (Base, Peak and Caps)	
	>	Options (Peak and Base Strip)	
	>	Expiry Process - Cash Settlement and Option Exercise	
>	SFE Electr	icity Trading Mechanisms	
	>	Pre-negotiated business	
	>	Block Trades/OTC negotiated dealing	
	>	SFE Custom Market	
	>	Strip Trading	
	>	Exchange for Physical (EFP)	
>	-	e Settlement Procedures	
>	Margining		
	>	Initial Margins and Variation Margins	
	>	Introduction to SPAN margining	
	>	Initial margin offsets	
	>	Option and futures expiry Worked examples	
>	Miscellane		
	>	Futures Offsets Arrangements	
	>	Hedging the purchase of a NSW electricity retailer	
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2. OPTIONS TRADING WORKSHOP

WORKSHOP DETAILS

DATE:	ТВА
PRESENTER:	Dean Price General Manager
VENUE:	ТВА
DURATION:	9am – 3pm (6hrs)
FEES:	AUD \$1,000 (ex GST) pp
	To organise an in-house workshop please contact the d-cyphaTrade Team on 1800 330 101 or +61 2 9237 0900.
MATERIALS:	Workshop notes, refreshments, lunch &

certificate will be provided on completion.

WORKSHOP CONTENT

WORKSHOP CONTENT				
> Introduction to Electricity Options				
1. The Basics including option valuation				
> Electricity futures				
> Electricity options				
> The Option Greeks (dynamic option valuation):				
Delta, Vega, Gamma, Theta, Rho and Charm				
> Putting it all together: A day in the life of a professional electricity options trader				
2. Electricity Hedging Strategies – Directional strategies				
> Using Options to hedge futures prices:				
> Retailers and Generators				
> Futures price increases				
> Futures price decreases				
> Range bound Futures prices				
Case studies using historical option trades				
3. Basic Volatility Trading Strategies				
> Understanding and "trading" Volatility				
> Implied Volatility				
> Historical Volatility: definition and measurement				
4. Skew Trading - Deal Execution and Strategy				
> What is a volatility skew and what creates a skew				
> MTM treatment of skews				
> Skew Trading Objectives				
Trading into and out of a skew position				
5. Volatility Trading Objectives when:				
> Futures prices are expected to be volatile				
> Futures prices are expected to be static				
Futures prices are expected to be range bound				
> Managing the Option Expiry				
> The effect on and relevance of Option Greeks				
Calculating the expected futures delivery				
> When futures prices shift through strikes				
> "Pin" risk				
> The decision to exercise, or not				
6. Mixing OTC and exchange traded positions				
 Miscellaneous 7. Using electricity options to hedge the portfolio risk of 				
bidding for a NSW electricity retailer				
REGISTER NOW Phone 1800 330 101 (within Australia) or				

Phone 1800 330 101 (within Australia) or +61 2 9237 0900 (international) Email training@d-cypha.com.au

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3. CARBON TRADING WORKSHOP

WORKSHOP DETAILS

DATE:	ТВА
PRESENTER:	Thomas Schmitz Executive Manager Product Development & Sales
VENUE:	ТВА
DURATION:	9am – 4pm
FEES:	AUD \$1,000 (ex GST) pp
	To organise an in-house workshop please call 1800 330 101 or +61 2 9237 0900.
MATERIALS:	Workshop notes, refreshments & lunch. Certificate will be provided on completion.

WORKSHOP CONTENT

- **Understanding International Carbon Markets**
 - General Strucutre of Carbon Markets
 - Market Examples (Kyoto and EU ETS)
 - Clean Development Mechanism Overview
 - Risk Management Strategies and Solutions
 - Carbon Offset Instruments
 - **Regulated Market Overview**
 - Exchange traded carbon
- The Federal Government's Whitepaper on the Carbon **Pollution Reduction Scheme**
 - Australia's Emission Policy
 - **Regulatory Coverage** >
 - Proposed Market Design
 - Proposed Auction Model and its Implications >
 - Assistance to Energy-Intensive, Trade-Exposed Industries & Strongly Affected Industries
 - International linkages to offshore carbon markets

Emissions Trading

- Australian Emissions/Renewable Trading Markets >
- International linkages to Australian ETS
- Current impact of ETS on the Financial Electricity Market >

Optimising linkages to offshore carbon markets

- Trading across jurisdictions >
- correlation and Price arbitrage between Australia/International carbon
- Managing timing and funding risks
- Inter-relationship between Carbon and Electricity Trading
 - International experience (Europe)
 - Financial impact of carbon on electricity retailers, generators and consumers in Europe - Lessons for Australia
 - Generator response
 - Backsolving a carbon price from Australian electricity futures prices
 - Liquidity impact on Australian electricity futures hedges

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