

Course Unit Title:	COMMODITY TRADING AND RISK MANAGEMENT		
Course Unit Code:	ITSM518		
Type of course unit:	Elective		
Level of course unit:	Masters_MSc International Trade and Shipping Management Masters_MA/LLM Maritime Law and Shipping Business		
Number of ECTS credits allocated:	6		
Name of Lecturer(s):	Dr Babak Jafarizadeh		
Learning Outcomes of the course unit:	<p>By the end of the course, the students should be able to:</p> <ul style="list-style-type: none"> • Develop a critical understating of the types and nature of commodities in general, and energy products in particular; The students will have the knowledge of pricing mechanisms and will develop insights into value creation and risk management of energy commodities. • Develop a critical understanding on energy-specific commodities and their unique nature; these commodities primarily include oil and gas (LNG and pipeline), but also include electricity and weather. The students will be able to use spreadsheet models to support risk analysis and energy investment decision making. • Understand the macroeconomics and geopolitical factors that affect the regional economics and risks of producing and trading energy commodities. 		
Mode of Delivery:	Face-to-face		
Prerequisites:	NONE	Co-requisites	NONE
Recommended optional program components:	NONE		
Course Contents:	<p>The course will cover the basics of commodity trading, with a focus on energy commodities. These include:</p> <ul style="list-style-type: none"> • Economics of commodities and risk analysis. • The organisation of trading, including energy markets. • Specialized markets for oil, gas, and LNG assets. • Market instruments and derivatives, mainly futures and options, and their role in valuation, risk analysis, and decision making. 		

	<ul style="list-style-type: none"> • Energy and weather risk management.
Recommended and/or required reading:	
Textbooks:	<p>The following references form the basis of the lectures:</p> <ul style="list-style-type: none"> • Albright, S. C., Winston, W., & Zappe, C. (2010). Data analysis and decision making. Cengage Learning. • Geman, H. (2005). Commodities and commodity derivatives. Modeling and Pricing for Agriculturals, Metals and Energy, Chichester (Grande-Bretagne): Wiley Finance. • Hull, J. C., & Basu, S. (2016). Options, futures, and other derivatives. Pearson Education. • Kaminski, V. (2012). Energy markets. Risk Books. • Tusiani, M. D., & Shearer, G. (2007). LNG: a nontechnical guide. PennWell Books. <p>In addition to the texts above, we will provide papers and case studies. The students are encouraged to visit online resources such as web of science, originally produced by Institute for Scientific Information (ISI):</p> <ul style="list-style-type: none"> • https://webofknowledge.com/
References:	
Planned learning activities and teaching methods:	The course will be delivered through lectures, discussions, and in-class problem solving.
Assessment methods and criteria:	<p>Written Assignment 40%</p> <p>Final Exam 60%</p>
Language of instruction:	English
Work placement(s):	Not applicable