JUPITER PRIME
Consulting • Training • Advisory
جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Crude and Fuel Price Exposure and Hedge Basics Training Course

29 August – 2 September 2027
Online

Crude and Fuel Price Exposure and Hedge Basics Training Course

Ref: 2563_97499 **Date:** 29 August – 2 September 2027 **Location:** Online **Fees:** 2900 GBP

Crude and Fuel Price Exposure and Hedge Basics is a 1-week training course for new traders, risk analysts and commercial staff, who leave with a starter hedge plan for one physical book of crude or refined fuel. Volatile benchmarks and tighter credit lines mean an unhedged cargo or supply contract can erase its margin before delivery. Jupiter Prime Training presents this foundation course on Crude and Fuel Price Exposure and Hedge Basics.

Why Crude and Fuel Price Exposure and Hedge Basics Matters Now

Two forces shape price exposure in the oil business today. Benchmark prices swing faster as supply disruptions and shifting refinery demand move crude differentials and product cracks. Banks and counterparties ask how a book is protected before they extend credit or accept a term contract. A company that reads its exposure early can lock margins, keep credit lines open and avoid forced sales; one that does not can see a single delayed cargo absorb its margin.

Who Gains Most from Crude and Fuel Price Exposure and Hedge Basics

- Junior traders who price and schedule physical crude or fuel cargoes.
- Risk analysts who compile daily exposure reports and limit checks.
- Contract and pricing staff who draft formula clauses in supply deals.
- Finance and treasury staff who record hedge results and margin calls.

A new trading or supply desk gains most when its traders, analysts and back office attend together.

Crude and Fuel Price Exposure and Hedge Basics Capabilities

Participants practise moving from a signed physical deal to an offsetting hedge.

- Map the pricing period and benchmark of each physical deal — for the trader setting the hedge date.
- Calculate open barrels by month and benchmark — for the daily exposure report.
- Compare futures, swaps and options on cost and fit — for choosing the instrument.
- Test a hedge against price scenarios and basis moves — for the desk head approving it.
- Specify hedge limits and margin needs — for treasury and credit reviewers.
- Build a starter hedge plan for one book — for the commercial manager signing it off.

Key Crude and Fuel Price Exposure and Hedge Basics Terms

- Price exposure — the change in a book's value when the benchmark price it depends on rises or falls.
- Pricing period — the run of days whose quoted prices are averaged to set the final price of a cargo.
- Differential — the premium or discount of a physical grade or location against its reference benchmark.
- Swap — a contract exchanging a fixed price for the average of a floating benchmark over an agreed period.
- Basis risk — the gap that remains when the hedge benchmark and the physical price do not move together.
- Crack spread — the margin between the price of a refined fuel and the crude used to make it.

Crude and Fuel Price Exposure and Hedge Basics Day by Day

Day 1: How Physical Oil Is Bought and Sold

- Physical Supply Chain From Wellhead to Retail — Where Price Risk Arises
- Spot, Term and Tender Deals — Choosing the Contract Type
- Delivery Terms and Title Transfer — When Exposure Starts and Ends
- Formula Pricing Clauses — Setting the Pricing Period
- Deal Ticket Anatomy — Capturing Volume, Grade and Price Basis

Day 2: Benchmarks and Price Reporting

- Crude Reference Grades and Their Spreads — Picking the Right Benchmark
- Price Assessment Methods and Daily Windows — Reading a Published Quote
- Grade and Location Differentials — Valuing a Non-Benchmark Cargo
- Product Cracks and Refinery Margins — Linking Fuel to Crude Prices
- Forward Curves, Contango and Backwardation — Timing Storage and Sales

Day 3: Measuring the Open Position

- Open Barrels by Month — Building the Exposure Ladder
- Fixed Versus Floating Price Legs — Spotting Where Risk Sits
- Mark-to-Market Valuation — Reporting Daily Gains and Losses
- Price Scenario Tables — Sizing Loss Under Sharp Moves
- Position Limits and Stop-Loss Triggers — Escalating Breaches to Desk Heads

Day 4: Hedge Instruments and Their Trade-Offs

- Exchange Futures and Margining — Locking Price With Daily Cash Calls
- Fixed-Price Swaps — Matching Average Pricing Periods
- Call and Put Options, Collars — Buying Protection While Keeping Upside
- Basis and Timing Mismatch — Judging Residual Hedge Risk
- Hedge Recording and Effectiveness Notes — Supporting Finance and Audit

Day 5: Practising the Starter Hedge Plan

- Case Book of Mixed Cargoes — Applying Deal Ticket Capture
- Exposure Ladder for the Case Book — Applying Open Barrel Counts
- Instrument Choice for Each Exposure — Applying Swap and Option Trade-Offs
- Scenario Test of the Hedged Book — Applying Stop-Loss Triggers
- Starter Hedge Plan Assembly — Volumes, Instruments, Limits and Review Dates

Applying Crude and Fuel Price Exposure and Hedge Basics After the Course

- Rebuild the exposure ladder for one live book and compare it with the desk report.
- Draft a swap or collar proposal for the largest open month with its scenario test.

Crude and Fuel Price Exposure and Hedge Basics Questions FAQ

What is Crude and Fuel Price Exposure and Hedge Basics and why does it matter now?

It is the foundation skill of seeing how benchmark moves change physical deal values and offsetting that risk. It matters now because volatile cracks and differentials leave little room for unhedged books.

Who gains most from Crude and Fuel Price Exposure and Hedge Basics?

New traders, risk analysts, pricing and contract staff and treasury staff gain most.

How does Crude and Fuel Price Exposure and Hedge Basics differ from senior trading or treasury hedging courses?

This is an entry-level course built around single physical books. Senior desk courses cover multi-commodity strategy across gas, power and carbon, while treasury courses link hedging to funding and liquidity.

What do you bring back from Crude and Fuel Price Exposure and Hedge Basics?

You bring back a starter hedge plan for one physical book, with an exposure ladder, chosen instruments and limits ready for desk review.

Crude and Fuel Price Exposure and Hedge Basics: The Way Forward

The starter hedge plan first informs how much of next month's open barrels to hedge and with which instrument. Desk heads and treasury use it to set limits and margin budgets. After its first use, the basis assumptions deserve a second look, once real fills and physical price settlements show how closely the hedge tracked the cargo.