



**STSA Commodity Trading Risk Analyst**  
**SEPTEMBER – DECEMBER 2020**

# PRESENTATION

Switzerland is an internationally recognised centre of expertise for commodity trading. The 550+ companies based in Switzerland, located in a unique trading hub, account for over 35'000 direct jobs.

In this vibrant and professional environment, training is becoming all the more a prerequisite. Experts responsible for risk management are key players in the industry's success. With increased international competition and challenges faced by the commodity trading activity, education & training have become a critical asset to succeed in today's industry.

The success of the STSA Operator's Certificate has encouraged the Association to further extend its educational offering to other strategic positions. In this context, and based on its unique expertise in education and training, STSA (Swiss Trading and Shipping Association) has been mandated by its members to launch a new training programme for Risk Analysts.

Risk management is at the core of the business of commodity trading companies. In order to mitigate commodity market inefficiencies, a myriad of risks need to be monitored.

This new programme, which started in 2018, has been designed by a working group of experts directly active in Risk Management, Middle office and accounting positions within renowned commodity trading companies. The Commodity Trading Risk Analyst Certificate takes a practical approach to training. Benefitting from the broad network of STSA, the programme brings together the best experts and speakers from the industry in this domain.

***"STSA views training more than ever as a prerequisite for a career in the commodity trading industry."***

Stéphane Graber, Secretary General, STSA

## AUDIENCE

- Junior Risk Analysts, Middle Officers, Trader Assistants, IT Business Analysts or Auditors in the early stages of their career in a commodity trading company or in a bank who want to accelerate their training process or evolve their career within the company.
- Young professionals considering a career change and interested in moving into the commodity field under the risk dimension.
- Fresh graduates seeking to acquire new skills and speed up their recruitment process.

# OBJECTIVES

This Certificate aims to:

- offer commodity trading companies and banking entities a specific training programme to meet their needs
- accelerate the risk management expertise of junior Risk Analysts, Middle Officers, Trader Assistants, IT Business Analysts and Auditors
- leverage skills of young professionals in their career in the commodity trading industry

At the end of the training and through practical examples, case studies and trade simulations, the course participant will be able to:

- Understand the role of the Risk Analyst/Middle Officer within a commodity trading or bank organisation;
- Understand the commodities markets functioning and organisation;
- Understand various techniques of commodity pricing, hedging principles and utilisation of market instruments such as derivatives;
- Identify and measure the risks arising from commodity trading activities through corporate reporting;
- Establish positions reconciliation with other reporting systems;
- Evaluate and monitor the daily pricing exposure reconciliation with the Front Office;
- Calculate the PnL of past and new transactions and to establish the daily reporting;
- Set-up analysis and statistics for internal and external use;
- Coordinate with operations and finance or credit departments during the life cycle of transaction;
- Coordinate continuous interactions with IT to ensure enhancement of internal processes and systems.

The Risk Analyst is exposed to a wide range of risks; operational and financial. Complex and diverse, the risks are often interconnected. His/her function is to identify the risks and to follow the operations all the way through the transaction from one end to the other, supported by specialised computer systems, while fostering communication among the various departments. As the Risk Analyst function is at the heart of the business, his/her position has to constantly evolve in order to accompany the process of changes and the implementation of new projects and advanced technologies.

The programme allows participants to understand the trading life cycle from a risk management perspective and covers most types of commodities.

The programme has been created with a hands-on approach in order to give participants the best and quickest possible grip of the diverse procedures required in commodity trading risk management.

# PROGRAMME

## Module 1: Introduction to Commodity Trading

15 & 22.09.20

- How is a trading company organised?
- Roles and functions of each departments
- How interdepartmental organisation is structured?
- What is the role of the Commodity Trading Risk Analyst / Middle Officer?
- The challenge of being an interface within the company. Importance of developing and maintaining good working relationships with the various functions within the business
- Attitude
- Networking
- Regulations
- Commodity trading challenges for the Commodity Trading Risk Analyst / Middle Officer
- Hedging

## Online Module

- What is commodity trading?
- What are the different types of commodities?
- Who are the market players?
- How does a trading company add value?
- What is the current economical context?
- Basics of INCOTERMS

## Module 2 Risk identification

24 & 29.09.20

(from “long / short” to complex risk mapping)

- Typology of risks
- Identifying risks arising from transactions and assets investment
- Incoterms, pricing formulae and risks
- Other market risks (Forex, interest rates)
- Liquidity risk
- Credit risk
- Operational risks, insurance
- Risk policy, principles of hedging

## Module 3 Market techniques and organisation

01 & 06.10.20

- Market organisation – Brokers- Clearing – Exchanges – Stakeholders – Electronic trading
- Derivatives tools – Futures, Options, EFP, Forwards, CFDs, Swaps
- Market rules and markets regulations
- Physical pricing mechanisms (PRA/Platts)
- Articulation OTC vs Futures - ETD

- New products
- Broker relationship management
- Best practices

### **Module 4.1 Directed exercises**

27.10.20

- Daily operations
- Deal entry, position reporting
- PnL calculation and reporting
- Secondary costs
- Position and hedging adjustments

### **Module 5 Introduction to pricing**

29.10 & 03.11.20

- Forward curves
- Swap pricing
- Options valuation and risks
- VAR models
- Credit value – Credit at risk
- Using Time series – Statistics and introduction to stochastic models
- Ad hoc pricing of structured strategies

### **Module 4.2 Directed exercises**

05.11.20

- Pricing analysis
- Optional exposures
- PnL explainer and analytics

### **Module 6 Corporate reporting and risk management**

12 & 17.11.20

- Analytical PnL reporting
- Options risk reporting
- Adhoc risk reporting
- Value@Risk (VAR)
- Stress scenarios
- Cross commodity risks
- Internal control
- Analysis and statistics for internal and external use
- Credit risk monitoring
- Compliance
- Global risk management

## Module 7 Project management

19 & 24.11.20

- Middle office and business analysis – CTRM
- Interface with IT
- New products – Specifications - Challenges
- Compliance
- Regulations

## Module 8 Course Review and Case Study 26.11 & 01.12.20

*(This planning is subject to change)*

## Teaching Format

The Certificate consists of 8 modules of 6 hours each, divided into two evenings per week (3 hours/day). All modules are taught in English.

The modules take place on Tuesday evenings and Thursday evenings, in order to avoid any interference with professional obligations and to allow participants enough time to absorb and eventually practise what has been learnt in the programme.

Some pre-reading, preparation, case studies or homework may be required, depending on the teachers' recommendations and will be communicated upon admission to the course.

The lectures are given by industry experts from the commodity trading industry, with inputs from guest speakers to give further depth and various perspectives.

***"We understand that participants often have demanding professional and family obligations; however, to successfully obtain the certificate, you will need to be fully engaged and ready to face significant preparation work."***

Silviane Chatelain, Education & Training Manager, STSA

## Evaluation

The award of the STSA Commodity Trading Risk Analyst Certificate is based on attendance and successful completion of exams. However, your full commitment and engagement will be required to obtain the Certificate.

Each module is subject to an evaluation. The candidates are required to attend and participate in a minimum of 80% of the programme sessions in order to obtain the Certificate. Any absences must be appropriately justified.

An overall average of 4.0 (out of 6) must be achieved in order to graduate, and no more than one mark between 3.0 and 4.0 will be accepted. A mark lower than 3.0 will automatically disqualify the participant from obtaining the Certificate. The participant may re-take the failed module/course during the following intake at his/her cost. Only one opportunity to retake the module will be given. If the participant fails more than 1 module in one session he/she will be automatically disqualified. Any participant caught cheating or plagiarising will be automatically disqualified without appeal.

All exams and assignments must be completed in English.

## INFORMATION

### Course Schedule and Location:

6 hours per week on Tuesday and Thursday evenings from 6.00pm to 9.00pm.

**STSA Learning**, 11 rue de Chantepoulet, 1201 Geneva

### Application

Applications **must** include the following documents:

- 1) Motivation letter in English;
- 2) Application form duly completed and **signed**;
- 3) Your updated resume in English;
- 4) 1 passport picture.

Applications and all supporting documents must be submitted **electronically via STSA's website** (<https://stsa.swiss/training/education>).

## **Admission criteria:**

- 1)** Good command of spoken and written English is necessary as the programme is taught in English.
- 2)** Having a strong affinity for numbers.
- 3)** Being fully proficient with the Excel programme.

Acceptance or refusal of applications are at the sole discretion of STSA. Late applications may be considered depending on available slots.

You will be notified via e-mail if you have been accepted to attend the course.

A maximum of 20 participants will be accepted per intake.

## **Tuition Fees**

### **For STSA members**

CHF 2'900 (includes 8 modules)

### **For non STSA members**

CHF 3'900 (includes 8 modules)

### **Multi booking**

A discount of 10% will be applied for 3 or more bookings from the same company in the same intake.

### **Instalments**

After acceptance of an application, a deposit of CHF 900 will be requested to secure your place on the programme and confirm enrolment. In case of withdrawal, no refund of this deposit will be provided.

The balance must be paid at least 20 days before the course starts.

### **Cancellation and substitution policy**

No refund whatsoever will be made for cancellations received 10 days or less before the course start date. Participants can however be substituted by an acceptable candidate if the organisers receive prior notification.

## FAQ

### **Can I be accepted even if I do not have any particular certification?**

No certification as such is requested, however a taste for analytics is highly recommended as well as a strong motivation and a good command of the English language.

### **Can you help me acquire a work permit?**

Unfortunately no. This is an educational programme and STSA does not provide this kind of service.

### **Do I need to take my laptop to class?**

Presentations and documents will be uploaded on Dropbox and you will need an electronic device to view them. You will also need it work on Excel spreadsheets. It can be a tablet or a computer.

### **Will you help me find a job?**

No. The purpose of the Certificate is for the participants to grow professionally and attain competences in Risk Management. It is not STSA's purpose or objective to assist the participants in finding a job.

Nevertheless, participants of STSA classes considerably enhance their employability and several employers look for their junior in the STSA's alumni pool.

### **When I obtain my Certificate, will I be accepted to pursue the Master or the Diploma also set up by STSA?**

No, acceptance for the Master or Diploma is subject to a specific set of rules set by the University of Geneva.

However, many participants of STSA programmes have decided to further develop their skills by following additional STSA classes or academic programmes offered by the University of Geneva (DAS in Commodity Trading or Master of Science in Commodity Trading).

### **Can I meet STSA representatives before the courses?**

Yes if necessary, but it would be preferable to schedule any such meeting in advance.

### **What happens if I cannot attend one course?**

It will be your responsibility to obtain the presentations and the notes taken during the course from another student and to coordinate with the trainer responsible for the module.

Under no circumstances can courses be recorded.

### **Can I write my assignments in French?**

No, the language of the programme is in English and all correspondence, assignments and/or exams must be written in English.

## ABOUT STSA

STSA was created as GTSA in 2006 by the main actors of the Commodity Trading community in Geneva. In 2008, it extended its reach to the Lake Geneva Region. In 2014, it became STSA – a national Association for Trading and Shipping in Switzerland – overseeing the regional chapters of Zug and Lugano, and representing more than 190 members encompassing large, medium and small entities.

The Association has become renowned for its successful professional programmes such as the STSA Operator's Certificate and the Commodity Trading Fundamentals. In response to the industry's requests, STSA has put in place three innovative certificates: the STSA Commodity Trading Risk Analyst, the STSA Business & Human Rights and the STSA Documentary Credit Specialist.

In parallel, STSA also organises educational programmes such as the Master of Science in Commodity Trading, and the Diploma in Advanced Studies in Commodity Trading. Both programmes have been created in partnership with the University of Geneva and have been running since 2008 with an increasing level of recognition.

In 2019, STSA Learning has been awarded the eduQua Label. The first Swiss qualification providing quality assurance for continuing education and training. This certification is a mark of recognition of the high quality of STSA Learning's education and training programmes. It was obtained after an in-depth evaluation process and an in-house audit, to ensure that our methods are fully transparent and in accordance with its standards.

### STSA

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