

NOC:Commodity Derivatives and Risk Management - Video course

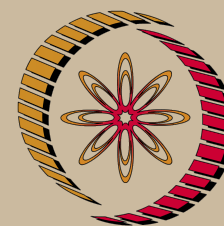
COURSE OUTLINE

Commodity derivatives market has witnessed tremendous growth in India. Since the setting up of different national level demutualized commodity exchanges such as NCDEX, MCX and NMCE about a decade back, the Indian commodity derivative market has achieved considerable growth in trading volume, types of commodities contracts traded, warehouse development and also has brought in significant changes to spot trading of commodities. The course covers almost the entire spectrum of commodities traded in the Indian commodity market, including agricultural commodities, crude oil, base metal, precious metal, and electricity. This course will also cover derivative contracts on weather, carbon, freight and real estate traded in international exchanges such as CME, LME, LBMA, DGCX and The Baltic Exchange etc. Fundamental concepts such as value-at- risk based margin calculation, seasonality, minimum variance hedge ratio, basis risk, commodity index creation, pricing and valuation of derivatives contracts will be discussed in earlier part of the course. Subsequently futures, options, swaps, tapos, spread contracts like crack/crush/spark on commodities mentioned earlier can be used by companies to mitigate price risk will also be discussed in detail.

COURSE DETAIL

Week	Topics
1	Introduction to Commodity Derivatives, Commodity Exchanges and Commodity Contracts.
2	Pricing Commodity Forward, Futures & Options.
3	Agricultural Price Risk Management.
4	Crude oil & Base Metal Derivatives.
5	Gold & Electricity Price Risk Management.
6	Weather and Carbon Derivatives.
7	Derivatives on Freight, Water, Property and Payroll.
8	Lessons from major commodity price manipulations and commodity derivative losses.

References:



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Management

Pre-requisites:

Basic Knowledge on Financial Markets and Derivatives

Coordinators:

Dr. Prabina Rajib
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1. Commodity Derivatives and Risk Management by Prabina Rajib;http://phindia.com/bookdetails/commodity_derivatives_and_risk_management_by-rajib_prabina_isbn-978-81-203-4899-8
2. Commodity Derivatives: Markets and Applications by Neil C. Schofield

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