DIPLOMA OF ADVANCED STUDIES
IN COMMODITY TRADING

HEC EXECUTIVE PROGRAMS
COMMODITYTRADING.CH
Masters, Diplomas and Certificates at HEC Executive

Contrôle de Gestion • Créations de Luxe et Métiers de l’Art • Entrepreneurship & Business Development • Gestion des Ressources Humaines • Gestion des Risques d’Entreprise • Gestion et Management dans les Organismes sans But Lucratif • Gestion Quantitative de Portefeuille • Management de Projet • Management des Institutions de Santé • Management Durable • Gestion de l’Environnement et Entreprise • Management Stratégique Achats, Logistique et Approvisionnement • Sécurité de l’Information • Stratégie Marketing, Communication & e-Business • Aviation Management • Commodity Trading • Corporate Intelligence • Corporate Social Responsibility • International Organisations MBA [IOMBA] • Marketing & Methods • Executive MBA
The world of business is more challenging today than ever.

Following the hard lessons learnt during the global financial crisis, economies are once again showing signs of growth. Increasing trade and lower costs driven largely by technological advances are helping business to grow margins.

Things are on the move and you need to be sure that you are on the right track too. HEC Geneva will equip you with the necessary tools so that you can grow your career.
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WELCOME TO HEC EXECUTIVE

“At HEC Executive we believe that knowledge is one of the most powerful assets in today’s highly competitive professional environment. We trust that we will be your choice for executive education and look forward to welcoming you on an exciting journey.

Whatever your motivation; by having picked up this folder, you are on your way somewhere new. Perhaps you want to accelerate your existing career, or develop beyond your current technical expertise? Maybe you have ambitions to start your own business? Or you are looking to progress your exiting career? Indeed, you may just want to do things differently.

Whatever you are thinking, you have decided to invest in your future and unleash your full potential. At HEC Executive we let you turn your ideas into action – without interrupting your career, through formats that are designed to complement your working life. With the vast range of exciting opportunities in our programs, your options are endless.

Join us in one of Europe’s most dynamic and fastest growing business centres. Geneva offers an international make-up of over 150 nationalities and a unique opportunity to build local and global networks while contributing to your learning experience. By joining HEC Geneva, you become part of a multinational community and a lifetime member of an extensive global network.

Through the extensive range of programs in HEC Executive, our aim is to provide professionals with an academic foundation as well as applied knowledge, allowing them to excel as the future leaders of the business community.

The future is now; welcome on board.”

Professor Bernard Morard
Dean of the Faculty, HEC University of Geneva
Geneva has become a world centre of commodity trading financial transactions in recent years. Overall, it is estimated that 40% of international commodity trading takes place in the Geneva area.

A few hundred companies operate in the Geneva Canton directly or indirectly for this sector, representing about 8,000 employees. All these businesses have one thing in common: the need for specialised and continual training in the sector, for professionals.

In response, HEC, Université de Genève, the Geneva Trading and Shipping Association (GTSA) and HEG, HES-SO have joined forces to create the Diploma of Advanced studies in Commodity Trading. Created with and for professionals, the diploma is conducted to best fit with the demands of working while studying.
FAST FORWARD

Why sit and wait for something to happen when you can choose to move yourself forward as part of our group? At HEC University of Geneva, we believe that unity is the key to success, and your professional development will be based on your skills in combination with the input of your peers. As the European seat of United Nations and a vast number of international companies, Geneva’s diversity provides a fascinating context for your learning experience, and allows you to develop in a truly international environment. To understand business you need to understand the world around you. It’s all here.
THE PROGRAM

MODULE 1
BASICS OF COMMODITY TRADING, WORLDWIDE TRADE FLOWS

- International supply and demand for commodities: volume, flows/distribution, production, consumption
- General overview of the different types of commodities: agri-commodities, metals, ores and minerals, energy products and gas, non-tangibles
- Markets and players (banks, hedge funds, trading companies, exchanges, governments)
- How the commodity markets fit within the larger capital markets

MODULE 2
THE TRADING CONTRACT

2.1. STRUCTURE OF A COMMODITY TRADING CONTRACT

- Example of a contract in soft commodities
- Example of a contract in oil and oil products commodities

2.2. QUALITY AND QUANTITY

- Main quality characteristics for different commodities
- Quality determination
- Quantity determination: different inspection methods

2.3. COMMODITY PRICE MECHANISM

- Prices and indices
  - Exchanges: ICE, NYMEX, Mercantile Exchange, The Baltic Exchange
  - Role of indices
  - Futures markets and price discovery
  - Formula based pricing
  - Average nature of forward curves
  - Importance of spreads
  - General overview of instruments: forwards, futures, swaps

Price dynamics and spot and forward prices
- Spot price behaviour
° Mean reversion

° Volatility and seasonality

° Role of the forward when trading

° Shape of the forward curve and relationship with spot prices

**MODULE 3**

**DELIVERY TERMS AND SHIPPING**

° The technique of the ship: definition of terms, archimedes law impact, measurements, classification, SOLAS/ISPS international security laws

° Types of ships: dry cargo, tankers, container ships, specialised ships

° Freight and hire: per day, per metric ton, application of worldscale for tankers

° Charter parties: bareboat charter, time charter, voyage charter, COA, detailed analysis of CP clauses

° Voyage calculations: round, backhaul, fronthaul, short and long period

° Land transport: barges, rail, road and storage

° Port issues: access, loading discharge, the role of the ship agents and other intermediaries

° Transfer of risk and property: Introduction to Incoterms

**MODULE 4**

**LEGAL ASPECTS OF TRADING AND SHIPPING**

° Carriage by Sea Act, Hague, Hamburg and Rotterdam rules, present situation

° Documents of title

° International and regional organisations and conventions, international trade theories and regulations/ regulatory regimes including the IMO, IMB, ICC

° The sale contract

° Main contract terms: quantity, quality, price, delivery, load and discharge terms, payment terms

° Specific terms, legal terms

° Dispute resolution: mediation, arbitration, litigation
MODULE 5
RISK MANAGEMENT: COMMODITY PRICE RISK ISSUES PART I

Identifying the risks
○ What are the risks?
○ How do you measure risk?
○ Internal hedging techniques
○ Does the hedge create risks?

The elements of modern risk management
○ Control of risk (tenor/volume/limit)
○ Organisational process
○ Position capture

○ Mark-to-market
○ P&L Analysis
○ Setting and monitoring limits

MODULE 6
RISK MANAGEMENT: COMMODITY PRICE RISK ISSUES PART II

The risks in derivatives
○ Price risk as a component of physical risk exposure
○ Understanding option risks
○ Review of option pricing assumptions
○ Insurance cover: the “on and off” balance sheet issue

○ Value at risk, current risk issues

○ Recent disasters and developments
○ Is risk management the same for FX/interest rate/commodities?
○ Identification mitigation and management
○ Losses and failures of the risk process

MODULE 7
PHYSICAL RISKS AND OTHER RISKS

7.1. PHYSICAL RISKS AND INSURANCE

○ Cargo insurance policy and clauses applying to specific insurance market
○ Charterers’ liability coverage
Hull and machinery, protection and indemnity cover, freight demurrage & defence

7.2. OTHER RISKS

- Political risk policy, credit risk insurance
- Reputational risk
- Ecological risk, weather risk

MODULE 8
TRADE FINANCE BANKING INSTRUMENTS

- Documentary credits, stand-by L/Cs
- Guarantees, bid and performance bonds
- Documentary collections

- UCP rules
- Transferable L/Cs, back-to-back L/Cs
- Red-clause L/Cs, revolving L/Cs
- Letters of indemnity

MODULE 9
FINANCING OF COMMODITY TRADING ACTIVITIES

The course introduces various commodity financing methods that are available to the commodity (and shipping) market players such as:

- Transactional finance
- One particular example of transactional finance, inventory financing
- Borrowing base

- Reserve based lending
- Prefinance and pre-export finance
- Payment risk guarantee (or payment risk assumption)
- And will briefly touch base on a few other aspects linked to the commodity environment

The course objectives are:

- to give participants an understanding of the various tools / products and methodologies that the Banks have developed over the years in order to finance the commodity players
- to make sure participants fully apprehend the technical aspects and the sources of risk stemming from financing commodity trading
MODULE 10  
CREDIT ANALYSIS

The course presents each step of the credit decision making process from the initial credit analysis up to the final decision made by the credit committee(s).

In particular, the participants will become familiar with all aspects related to the completion of a credit application file:

° Company presentation and its purpose in its market: business profile, strategy, management assessment
° Financial analysis (balance sheet and profit and loss) and peculiarities of trading companies' financials
° Term sheet and transaction analysis
° Risk analysis and recommendation to the committee(s).

MODULE 11  
COMMODITIES TRADING GAME

° Management
° Trading group
° Trade timing
° P/L
° Market informations
° Loans
° Spreads
° Hedges
° Market anticipation
° Position taking
° Main exchange contract specifications
WHICH PATH TO CHOOSE

- Full diploma program in Commodity Trading
- Any chosen number of modules from the diploma program Commodity Trading
- 1st year Executive MBA + Full diploma program in Commodity Trading

Diploma of Advanced Studies in Commodity Trading
Individual Course Certificates Commodity Trading
MBA Degree specialised in Commodity Trading
Program Objective

Designed for professionals who want to stay at the peak of their game in commodity trading, move up into a new area within their field, or make a career change, the Diploma of Advanced Studies in Commodity Trading provides professionals with a strong and thorough program of study which focuses on the commodities trading contract, risk management, and the financing of trading activities.

This program has four objectives in order to improve participants’ performance working in or with the commodities trading sector:

° Provide a solid understanding of commodities markets
° Show what is involved in a trading contract
° Explain all aspects of risk management in trading
° Describe the financing of trading activities

For students who wish to go even further, this programme can be used to complete an MBA in English at HEC, University of Geneva.

*Estimated figures from various sources including Financial Times and GTSA
MBA MAJOR
IN COMMODITY TRADING
The completed diploma can also be validated as the specialisation year of the Executive MBA at the University of Geneva.
More information on mba.unige.ch
KEY FACTS OF HEC EXECUTIVE

- **things are on the MOVE**
- **INTERNATIONAL Alumni** 2 year Executive MBA
- **10,000+ students**
- **35 average age participant**
- **At the HEART of Geneva’s Business Community**
- **37 nationalities**
- **WORK/STUDY programs**
- **39% women in HEC Geneva**
A specialist Diploma degree from the University of Geneva is already per se a highly recognised qualification. As this program was designed in partnership with professionals from the trading sector, it has also become a must for a successful career in commodity trading both in the Geneva area and internationally.

“After working for a few years in the commodity trading area, I was looking to strengthen and expand my knowledge further in that field. This course fulfilled my expectations by providing a solid foundation in trading. There is a good balance between theory and practice. Experienced speakers also contribute to its success. We could leverage the nice atmosphere among the group of students to manage the workload, which is quite intensive. Participants come from different sectors of the industry enhancing the network. I would definitively recommend this course to anyone wishing to make a career in the trading industry.”

Amaury Burdet
Risk Management Group,
Cargill International SA
MASTER VS DIPLOMA

The University of Geneva offers two programs in the area of commodity trading: a master’s degree and an executive program. Both take place on Fridays and Saturdays but they are destined to different audiences.

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<th>DIPLOMA</th>
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<tr>
<td>Young students who have recently completed their BA and who have between 0 and 3 years of work experience</td>
<td>Professionals with a minimum of 3 years of work experience</td>
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<tr>
<td>2-year program (3 semesters of classes + 1 semester for the thesis)</td>
<td>1-year program</td>
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<tr>
<td>Tuition fees invoiced to the company / administrative fees invoiced to the student</td>
<td>Tuition &amp; administrative fees invoiced to the participant or the company</td>
</tr>
<tr>
<td>BA and GMAT required</td>
<td>BA only required if taken as specialisation year of the University of Geneva’s MBA</td>
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TEACHING PHILOSOPHY

Throughout the one year program, you will be exposed to a variety of teaching styles.

The majority of teaching is in the form of structured lectures, however class discussions are highly encouraged and, where applicable, case studies are analysed either in groups or collectively.

Moreover, as the class size is limited to 30 students, it enables us to provide our students with hands-on learning experiences, often brought by guest speakers from the trade, who will give you the opportunity to bridge academic theory and real-world practice.

Exams and Marks
Exams take place after each module in the form of a sit-in exam, an individual or a group paper, or an individual/group presentation. In any case, class participation is key and taken into account for the final grade.

Exams are marked from one (1) to six (6): four (4) is the passing grade.

To obtain the degree, you need to obtain an overall average of 4. One mark for a module between 3 and 4 for are accepted throughout the program; modules with marks less than 3 are not credited.

In case of module failure, a candidate may take an alternate exam with the Professor’s approval. The second (and not the best grade) will be taken into account.

Attendance
Participants must attend all modules and arrive on time. The module will not be validated for unjustified absences and/or absences which have not been accepted by the Diploma of Advanced Studies in Commodity Trading and by the Professor in charge of the module.
FACULTY

The faculty is as specialised as the program itself. The courses are taught by distinguished scholars from leading universities around the world or experts of the trading industry. Moreover, where appropriate, respected professionals from local companies intervene as guest speakers to present case studies and to share their practical experience.

The courses are taught by distinguished scholars from leading universities around the world

PROF. BERNARD MORARD
Dean of the Faculty of Economics and Social Sciences, University of Geneva

GEERT DESCHEEMAEKER
Chairman, Shipping Asset Management (SAM) SA
Secretary-General, GTSA (Geneva Trading and Shipping Association)

EMMANUEL FRAGNIERE
Professor, Department of Business Economics, Geneva School of Business Administration University of Applied Sciences, Western Switzerland (HEG)
"As a Trade Finance Banker, the program helped me fill the gaps in my knowledge, and improved my credibility and effectiveness in my company. This 360° training is a solid foundation for building a career in the industry, and leaves no relevant topic aside. The content is an appropriate blend of academic and field teachings. Intense team work helped develop long lasting friendships and an extended network. I enjoyed every moment of it."

Olivier Thyssen, Head of Financial Review and Risk Assessment, BCGE
WHO SHOULD ATTEND

Those connected to the trading industry who want to fully understand the global picture and functioning of the commodities market, plus the economic and financial implications of that market for their profession: corporate and financial auditing, fiduciaries, IT, banking, legal and law firms, insurance, import/export, and of course, those in shipping and trading.

The Commodity Trading Diploma is designed for those who would like to further their education in the area of commodity trading, or for those who are considering making a career change and would like to work in the field.

“With a perfect balance of theoretical and practical subjects, the course in commodity trading is the best academic program I have ever followed. Excellent professionals and a high level of participants form the core value of this program. I am able to apply learnings directly in my day-to-day work. I am happy to recommend anyone who wishes to deepen their understanding of the commodity trading industry, to join this program.”

Andre Roscoe
Global Credit Risk,
VALE International SA
**PRACTICAL INFORMATION**

**Tuition**
15 000* CHF (includes all 11 modules)
Individual modules can be attended at a price of 1’800* CHF per module.
*For Geneva citizens: a Chèque Formation Emploi of 750 CHF per year for 3 years can be acquired under certain conditions. Please contact:

Office pour l’orientation, la formation professionnelle et continue (OFPC) du Canton de Genève
Phone : +41 22 388 44 00
www.geneve.ch/ofpc

Service des allocations d’études et d’apprentissage (SAEA)
Phone : +41 22 909 68 20
www.geneve.ch/bourses

* PRICES ARE SUBJECT TO CHANGE WITHOUT PRIOR NOTICE

**Where**
**Uni Mail**,
40, Boulevard du Pont d’Arve
1205 Genève

**Voie Creuse**
HEC, Université de Genève
16, Chemin de la Voie Creuse
1202 Genève

**Haute Ecole de Gestion de Genève**
Campus de Battelle
Bâtiment F 7 Route de Drize
1227 Carouge

The candidates will need to have a laptop computer.

Thursday, Friday, Saturday from 9 a.m. until 6 p.m.
HOW TO APPLY

Admission criteria

- Strong command of both written and spoken English
- A minimum of 3 years professional experience
- Proficiency in Microsoft Office
- A background in Economics, Finance or Management

What to submit

Applications must include the following documents:

- Application form (Download from our website, complete and sign)
- Your updated CV in English
- 2 passport photos
- A cover letter in English
- Letters of recommendation
- A copy of your ID Card or Passport

Registration

The application deadline is 30th April 2012. If you wish to study individual modules (and not the full program) you should apply at least one month before.

Please send your application form to the address below:

Diplôme de Formation Continue
Commodity Trading
HEC, Université de Genève
16, Chemin de la Voie Creuse
1202 Genève

Applications received after the deadline will be taken into consideration only if there are available places.

You will be notified via e-mail that we have received your application.

Contact us

Program Coordinator
Céline Wolfson
+41 22 379 86 98
Celine.Wolfson@unige.ch