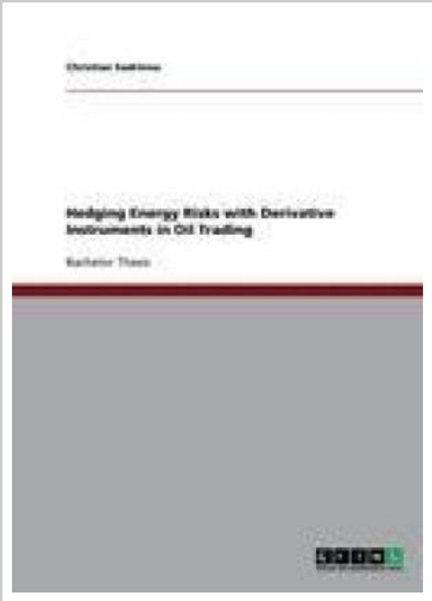

# Hedging Energy Risks with Derivative Instruments in Oil Trading

By Christian Sadrinna

Grin Verlag Jun 2010, 2010. Taschenbuch. Book Condition: Neu. 213x149x15 mm. This item is printed on demand - Print on Demand Titel. - Bachelor Thesis from the year 2010 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 2,2, University of Applied Sciences Essen, language: English, abstract: The financial crisis has proven how volatile markets can become within a very shor t period of time. One commodity that went through peaks and troughs is without doubt oil. A wide range of companies with business activities relying on the commodity and stable pricing, also went through highs and lows, whilst some went into liquidation. This circumstance let many companies think carefully about their risk exposure and how they effectively can manage it. This paper shows that: The main exercise to mitigate risk is a well-structured risk management operation which deliver the fundamentals for an effective usage of derivative instruments. Prior to any securing activity with swaps or options, companies must pin-point their current risk position, portfolios and their values. On this, the classical portfolio theory with the various modern extensions and portfolio analysis tools deliver a good concept for this question, however, oil has cer tain characteristics which...



### *Reviews*

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