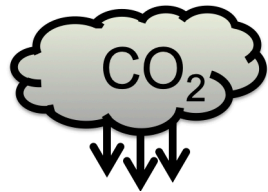
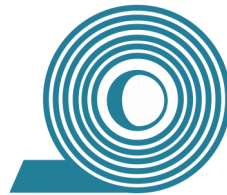
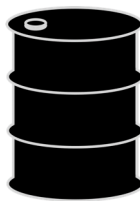




HedgeTutor

Commodities Educational Platform



Visit Us : www.commosconsulting.com

Contact Us : info@commosconsulting.com

Copyright Commos Ltd 2020

All rights reserved. No part of this publication may be reproduced, stored in or introduced into a retrieval system, or transmitted, in any form, or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior permission of the copyright owner. Any person who does any unauthorised act in relation to this publication may be liable to criminal prosecution and civil claim for damages.

While every effort has been made to ensure its accuracy, no responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by Commos Ltd.

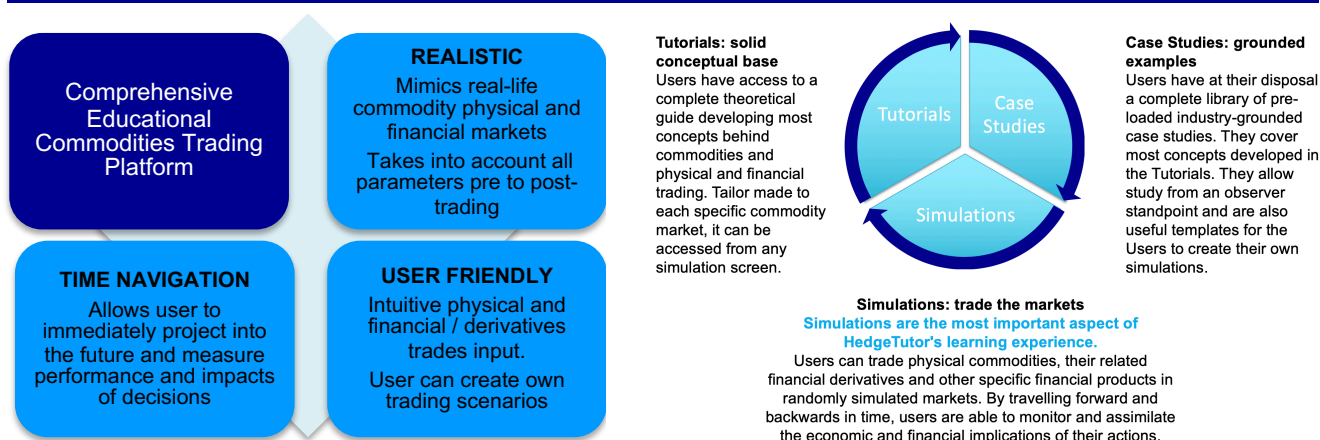
Welcome to Commos

Commos is a boutique coaching and consulting firm with global reach exclusively dedicated to provide innovative training solutions for commodities, commodity trading and risk management. We work closely to the main commodity exchanges, major industrial players, physical traders and financial institutions to help their management and clients master the art of physical and financial trading.

Our unique training approach is practice-driven. Through Commos' online educational platform and trading simulator HedgeTutor, our clients can interact with virtual physical and financial markets and create hedged portfolios. Solid theoretical background, industry grounded case studies and our specialists interaction and support provides with a unique and robust self-paced learning experience.

About HedgeTutor

HedgeTutor Concept



Our retrieval practice model

The HedgeTutor learning experience is based on three fundamental pillars: Simulations, Tutorials, and Case Studies.

Retrieval practice has a critical role in promoting new concepts and enhancing and consolidating learning. HedgeTutor offers a unique learning web based trading simulator that prioritises practice without neglecting theory.

HedgeTutor was designed to resolve the difficulty of engaging and educating the industry stakeholders in commodities and commodities physical and financial trading.

HedgeTutor has been created so that its users benefit from an online, practical, realistic and comprehensive learning experience set over a pre-agreed period of time.

All of this in a risk-free environment.

Who should use HedgeTutor?

Market participants

- Whether beginner or advanced
- Learn by doing, individually or with colleagues
- In-depth theoretical and practical education by constantly navigating between interactive guides and monitoring all various impacts of any trading / hedging decisions
- Real-life platform: no more lenient pre-arranged scenarios / solutions: HedgeTutor algorithms constantly generate market prices that cannot be known in advance. It also comes with embedded swap and option calculator

Subscriptions

Our flexible licensing educational solution enables users to train on for an agreed number of hours over a set period of time.

This allows for training at everyone's own pace with the possibility to review and rework past simulations and revisit tutorials as many times as necessary.

With every simulated HedgeTutor transaction, users learn, gain experience, develop skills and confidence that until now could only be hoped for after years of live trading.



HedgeTutor Simulations

Each subscription contains a defined portfolio of physical and financial instruments. These are traded in a simulated market which can be set to follow certain patterns: “bullish”, “bearish”, “random”, etc. providing daily physical spot and spot and forward financial prices. Additional parameters can also be adjusted to fit other specific user’s requirements.

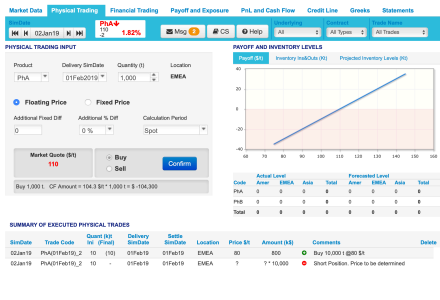
Like in real-life trading, cash, credit and physical restrictions apply. Hence, performance is not only evaluated through PnL but also by analysing various parameters: Exposure, Credit Lines and Margining, Cash Flows and Statements.

Simulations screen flow - Market data and trading inputs

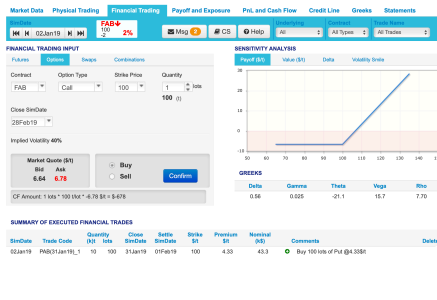
Market Data screen: provides historical and simulated prices for physical and financial markets



Physical Trading screen: trade physical commodities with prices linked to financial markets



Financial Trading screen: trade financial instruments as priced by HedgeTutor

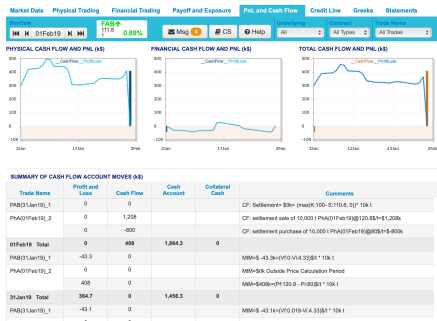


Exposure screen: measures exposure for physical, financial and combined portfolios



Simulations screen flow - Monitor trading / hedging performance

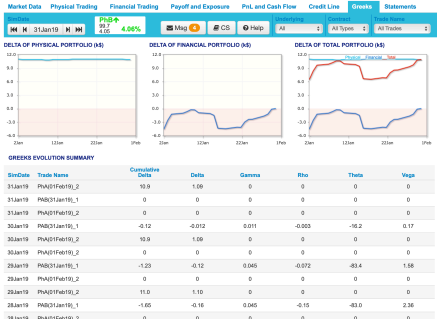
PnL and Cash Flow screen: provides daily valuations for trades and monitors all cash flows



Credit Line screen: displays evolution of margins and impacts on Credit Line Account



Greeks screen: historical evolution of portfolio sensitivities



Statements screen: accounting statements evolution



The HedgeTutor Tutorials

Tutorials: review the most important theoretical concepts behind commodity trading.

CHAPTER	TUTORIAL	VIEW MODE		
Introduction to HedgeTutor	Introduction to HedgeTutor	Slides		
Introduction to Commodities Risk Management	Introduction to Derivatives based Price Risk Management	Slides	Guide	Video
Commodities and their Prices	Commodities and Commodity Prices	Slides	Guide	Video
Price Risk	Transactions, Risks and Exposure	Slides	Guide	Video
	Basis and Basis Risk	Slides	Guide	Video
Structure of Derivatives Markets	Markets and Participants	Slides	Guide	Video
Commodity Futures	Introduction to Commodity Futures	Slides	Guide	Video
	Hedging with Futures	Slides	Guide	Video
Commodity Swaps	Introduction to Commodity Swaps	Slides	Guide	Video
	Hedging with Swaps	Slides	Guide	Video
Commodity Options	Introduction to Commodity Options	Slides	Guide	Video
	Options Pricing	Slides	Guide	Video
	Options Risk Sensitivities	Slides	Guide	Video

Theory Guide: contextual help linked to each element in the simulator.

Theory Guide

Navigate the guide contents clicking on the titles menu below. In addition, the User can access the [Case Studies Library](#) and navigate proposed scenarios in the simulator screens.

← Prev Titles Menu Next →

Commodity Options

An option is a right but not an obligation to buy or sell an underlying contract at a predetermined price at a predefined date in the future. An option which conveys the right to buy called a Call; an option which conveys the right to sell is called a Put. Usually, options for commodities are Options on Futures rather than Options on Spot prices.

Call and Put options

A Call option gives its buyer the right to buy a particular asset for an agreed price at a specified time in the future. A Put option gives its buyer the right to sell a particular asset for an agreed price at a specified time in the future.

The asset in this case will be a Commodity Futures. As Options for commodities are Options on Futures, Commodity Options will have the same parameters and features as Futures, namely:

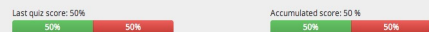
- Standardised specifications for a specific commodity.
- Standardised quantity of a commodity (normally expressed in number of lots).
- Market Price expressed in a certain currency.
- Specified geographical location.
- Fixed date of delivery which is also known as maturity date or expiry date.
- Daily marked to market valuation.
- Margining to reduce credit risk.

Quizzes: auto asses your knowledge with theoretical and practical questions.

Quiz

Each quiz has ten multiple-choice questions that test the growth in knowledge experienced by the User. The topics covered in the questions comprise theory and some conceptual numerical exercises based in concepts developed in the Help section.

Your Scores



Questionnaire

Choose one of the listed options and press the submit button.

Question 1 of 10

A position made up of a long future and a long put option on the same future would create a:

- ☐ Synthetic long call
- ☐ Synthetic short put
- ☐ Synthetic long future
- ☐ Synthetic short call

Submit

HedgeTutor Case Studies Library

Case Studies Library: review market case studies that cover and develop the concepts developed in the Tutorials.

CASE STUDY	VIEW MODE		
GEN Case Studies: Introduction and Initial Assumptions	Slides		
- PRODUCERS:			
GEN CS1: Producer Hedge with Futures	Slides	Guide	Retrieve as Simulation
GEN CS2: Producer Hedge with Futures (Physical Settlement)	Slides	Guide	Retrieve as Simulation
GEN CS3: Producer Hedge with Swaps	Slides	Guide	Retrieve as Simulation
GEN CS4: Producer Hedge with Put Options	Slides	Guide	Retrieve as Simulation
GEN CS5: Producer Hedge with Collars	Slides	Guide	Retrieve as Simulation
- CONSUMERS:			
GEN CS6: Consumer Hedge with Futures	Slides	Guide	Retrieve as Simulation
GEN CS7: Consumer Hedge with Futures (Physical Settlement)	Slides	Guide	Retrieve as Simulation
GEN CS8: Consumer Hedge with Swaps	Slides	Guide	Retrieve as Simulation
GEN CS9: Consumer hedge with Call Options	Slides	Guide	Retrieve as Simulation
GEN CS10: Consumer Hedge with Collars	Slides	Guide	Retrieve as Simulation

Case Studies as Simulations: review the case studies in the simulator and get familiarized with its functionality

