

IN SUPPORT OF



www.sidc.com.my



# DERIVATIVES TRADING FOR THE PALM OIL INDUSTRY

23 MARCH 2022 | 8.30PM - 10.30PM



DERIVATIVES PROGRAMMES FOR PROFESSIONALS



For more details, visit [www.sidc.com.my](http://www.sidc.com.my)

This initiative is supported by the Capital Market Development Fund (CMDf)

## WHAT IS THE PROGRAMME ALL ABOUT?

Derivatives are increasingly becoming an important risk management tool for the palm oil industry. Used by the palm oil producers and refiners as hedging instruments, the same derivatives contracts also used by speculators and arbitrageurs to generate potential opportunities thus playing an important role in the derivatives ecosystem.

This webinar will uncover the application of Crude Palm Oil Futures (FCPO) and Options in Crude Palm Oil Futures (OCPO) trading strategies to manage price risk and capitalise the potential opportunities that it brings.

## WHAT DO WE WANT TO ACHIEVE?

This webinar is designed to provide participants with deeper understanding and application of how palm oil industry players and derivatives traders use FCPO and OCPO to manage CPO price risk and capitalise the potential opportunities.

## WHAT WILL YOU LEARN DURING THE PROGRAMME?

Upon completion of this programme, participants will be able to:

- Explain the importance of FCPO and OCPO in the Palm Oil industry.
- Identify the derivatives trading strategies used in the Palm Oil market
- Discuss how and when the strategies are best to be implemented
- Analyse and discuss based on the case study presented on risk management and capitalising potential opportunities of FCPO and OCPO trading.



## COMPETENCIES

- Core - Risk Management (Level 3)
- Foundational (Product) - Capital Market Products (Level 4)
- Functional (Process) - Derivatives Dealing (Level 4)

## ABOUT THE SPEAKER



### Michael Sim

Michael Sim joined Synergy in 2012 as Partner and Director. His career spans a vast period from the era of exchange floor trading to the electronic marketplace of today. With more than 20+ years under his belt and experience in both the Buy and Sell side of the business from his years with Merrill Lynch, Michael possesses extensive knowledge of market microstructure across a broad spectrum of products with specific focus in index valuation and spread trading.

## PROGRAMME OUTLINE

8.30pm - 10.30pm

### Advanced Derivatives: Derivatives Trading for the Palm Oil Industry

#### Palm Oil Industry: The Importance of FCPO and OCPO

- Price risks sharing: Facilitation for on the market CPO
- Price volatility: Assists CPO producers
- Price discovery & stabiliser: Risk reduction and redistribution channel

#### Trading Strategies for FCPO and OCPO

What are the Strategies and When to Use it?

- Calendar spreads
- Intra-commodity spreads (vs. soy oil or crude oil)
- Market neutral strategies

#### Case Study: FCPO and OCPO Trading

Risk management and capitalising potential opportunities

Q&A Session