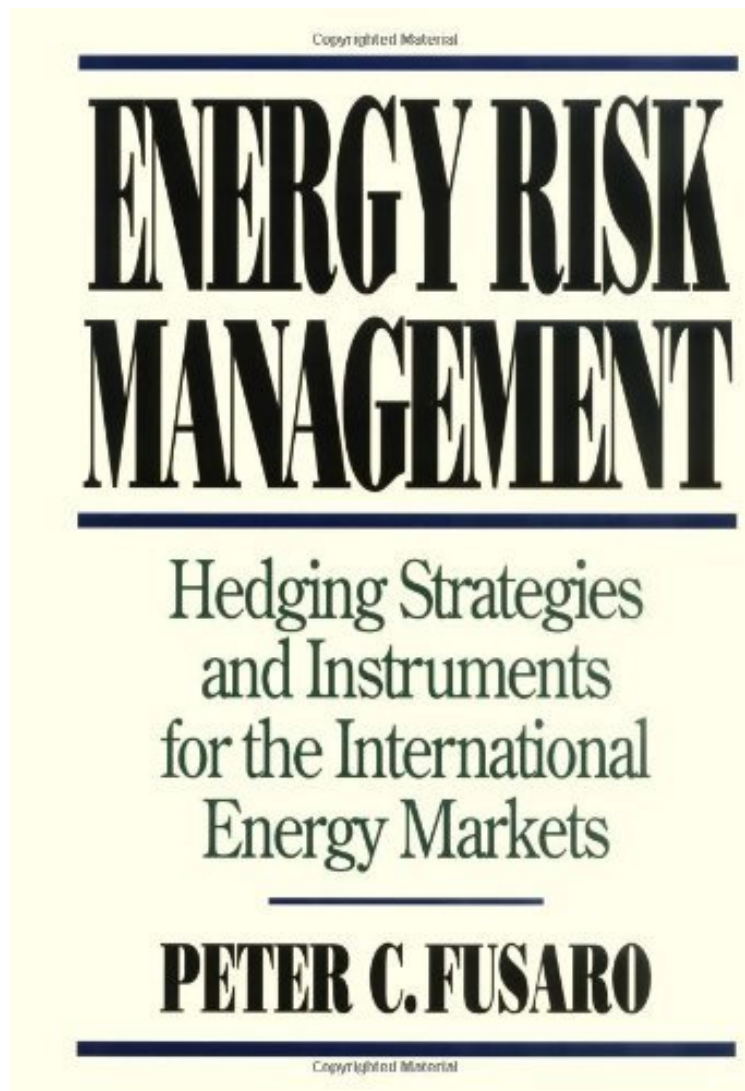


(Ebook pdf) Energy Risk Management: Hedging Strategies and Instruments for the International Energy Markets

Energy Risk Management: Hedging Strategies and Instruments for the International Energy Markets

Peter C. Fusaro

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Peter C. Fusaro : Energy Risk Management: Hedging Strategies and Instruments for the International Energy Markets before purchasing it in order to gauge whether or not it would be worth my time, and all praised Energy Risk Management: Hedging Strategies and Instruments for the International Energy Markets:

4 of 5 people found the following review helpful. Excellent, timely introduction to major new global markets By Robert Michaels (rmichaels@fullerton.edu) This timely and useful book introduces the many new markets for energy futures and derivatives to readers who are conversant with the basics of risk and finance. In the U.S. these markets

have grown with the deregulation of gas and electricity, and they will grow further as states begin allowing consumers of all sizes to bypass local utilities and trade with suppliers of their choice. Because the underlying volatility of gas and electricity prices exceeds that of any other major commodities, consumers and marketers must become familiar with a new range of financial instruments that will help them to cope with new risks. Most readers will have little difficulty navigating chapters that introduce the basic instruments and the history and institutions of the markets in which they are traded. (Even for those who don't know much, there is as good an introduction as I have ever seen to the basics of the Black-Scholes option pricing model and the analysis of Value-at-Risk.) Fusaro and other authors then proceed to lead the reader on chapter-long tours of markets that range across the world, from Asian oil to European Electricity, and extend in time to markets still in formation such as U.S. coal futures. For all the book's virtues, Fusaro did choose to include a chapter on "technical analysis" of price charts that is straight out of the "How I Made a Million..." genre. This book isn't for that type of reader. It is for people who will have to live with market reality in the future and want a head start in understanding it today.

7 of 9 people found the following review helpful. Energy Derivatives: Trading Emerging Markets By Nedia Miller Until Peter Fusaro's book "Energy Risk Management" hit the bookstores in 1998, anyone needing a clear explanation of how risk is managed in the energy markets had to sift through numerous trade publications and journals. This was generally the reaction of any industry participant I spoke to, independently of whether they were clients, students or colleagues of mine both from the Energy community or from academia. Therefore, with this feedback, I would strongly encourage my colleagues to read Peter Fusaro's new book "Energy Derivatives: Trading Emerging Markets" which he edited with Jeremy Wilcox and was published in October of this year. In this book Peter Fusaro and his team of energy professionals take the reader deeper into the secondary markets (energy derivatives, etc.) which have emerged as a result of the deregulation process of the Energy Industry and, most importantly, the book explains how to use these markets to manage energy risk. Further, in chapter 3, 4, 5 and 6 the reader is introduced to the concept of interdependency among energy markets and other related markets. These include weather and weather derivatives, emission trading and bandwidth - the most recently emerging market converging with Power to become the backbone of the new global economy. This is the first book to address the complex topic of convergence of power and the rapidly growing bandwidth market. For this reason alone this book becomes a must for everyone who is interested in becoming a part of the evolving energy market.

1 of 3 people found the following review helpful. Energy Risk Management is Risk Free By Alan M. Herbst Energy Risk Management is great primer for those interested in limiting their risk exposure to volatile International energy markets which are in the process of deregulating. Fusaro and his cast of contributing authors examine a wide variety of energy sectors and give practical examples of risk management techniques in easy to understand terminology. I was so pleased with the content of this book I even recommended it to a friend who has been trading International financial instruments for the past 12 years and is looking to get into the energy risk management field. When I asked him for his reaction to the book, he said it was "excellent". For greater detail, I also plan to read the author's follow-up work, "Energy Derivatives: Trading Emerging Markets" which looks at new energy related markets such as weather, emissions and bandwidth trading.

Energy deregulation, privatization and competition are a hot international topic. Professionals in this field understand the importance of hedging their financial risk, but are often unclear how to do so. The result is that either they take undue and unwarranted risk or they shy away from futures and derivatives investments that could improve their financial position while preventing substantial losses. Energy Risk Management is the first book to address the important issues of worldwide energy price risk management. Peter C. Fusaro has assembled the leading industry figures to explain general theories and practices for hedging risk, and specific methods to effectively manage risk in markets such as coal, natural gas, electricity, hydropower and others. Topics include: The ABCs of energy financial instruments - How to use hedging tools like futures and options, forwards and spreads; Energy securitization - Ways to securitize oil and gas production, and project finance implications; The future of energy price risk management - Globalization of energy markets, and an integrated approach to managing all risks. Energy professionals and investors worldwide require information to clarify risk management concepts and applications that are new to them. Energy Risk Management steps into that void, providing proven hedging strategies in non-technical language that simplifies this intimidating topic.

From the Back Cover Price Protection Strategies for Today's Wide-Open Energy Markets. In today's volatile financial and political climate, oil, gas, and electricity must be treated as money - complete with the same risks and opportunities. Financial derivatives have become a fact of life for both suppliers and end users, as a tool for hedging against sudden and sharp price fluctuations. As competition drives the need to utilize every financial tool available, Energy Risk Management is the first comprehensive introduction and overview to the complex field of energy derivatives. Respected and influential experts from NYMEX, IPE, FIMAT futures, and more join with Fusaro to provide detailed explanation and instructions on: Trading difference between the U.S. European, and Asian markets; How value-at-risk can be invaluable for energy decision makers; The effect of speculators on the viability of the risk management arena. Risk management knowledge has become a necessary competency for today's energy industry

executives. Energy Risk Management delivers in-depth analysis of worldwide energy commoditization trends and, just as important, details classic hedging strategies for this burgeoning market. Futures, and more join with Fusaro to provide detailed explanation and instructions on: Trading difference between the U.S., European, and Asian markets; How value-at-risk can be invaluable for energy decision makers; the effect of speculators on the viability of the risk management arena. Risk management knowledge has become a necessary competency for today's energy industry executives. Energy Risk Management delivers in-depth analysis of worldwide energy commoditization trends and, just as important, details classic hedging strategies for this burgeoning market. About the Author Peter C. Fusaro is Senior Vice President, Energy Consulting, for ABB Financial Services. Over the past 20 years he has worked for such energy organizations as Petroleos de Venezuela and the U.S. Department of Energy. Fusaro has also written numerous articles for energy trade journals, and he recently completed a comprehensive study that covered the application of risk management for electric power markets.