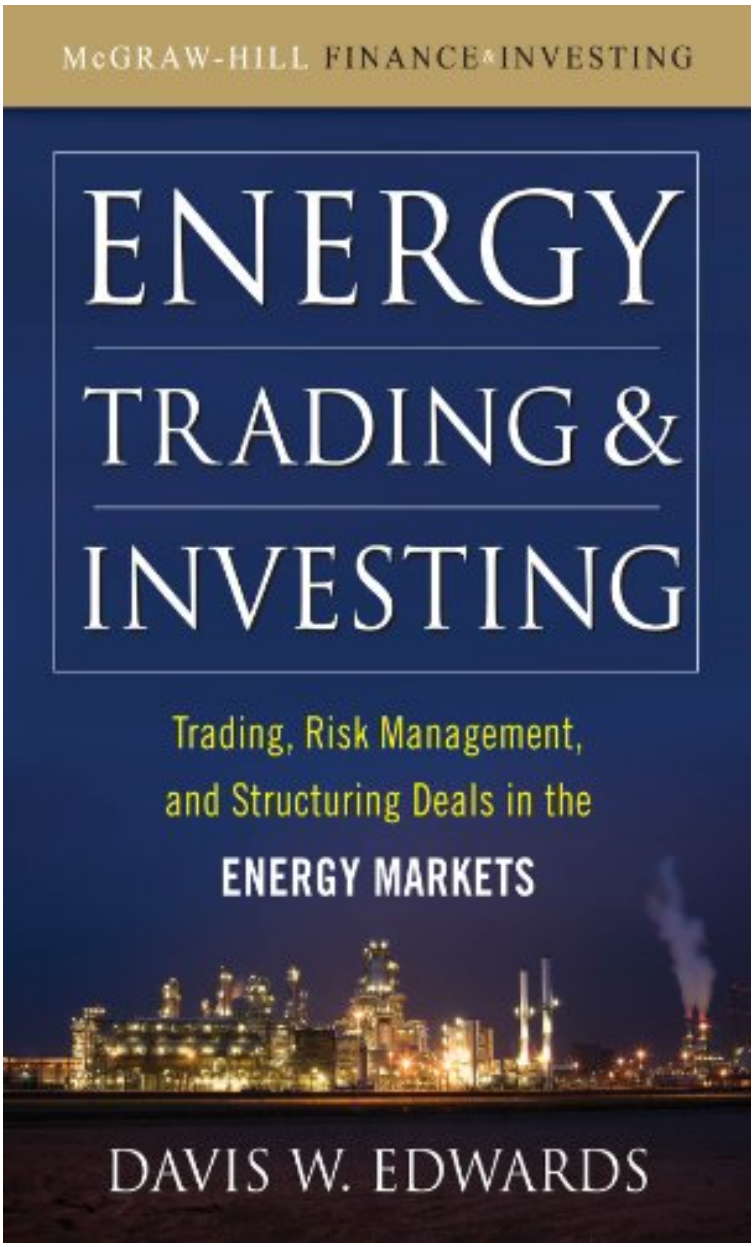
Energy Trading and Investing: Trading, Risk Management and Structuring Deals in the Energy Market

Davis W. Edwards



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Davis W. Edwards : Energy Trading and Investing: Trading, Risk Management and Structuring Deals in the Energy Market before purchasing it in order to gage whether or not it would be worth my time, and all praised

Energy Trading and Investing: Trading, Risk Management and Structuring Deals in the Energy Market:

35 of 35 people found the following review helpful. Great Introduction to Energy TradingBy Kevin KeaneExcellent book which describes how physical constraints significantly impact the trading of electricity and natural gas. It explains the physics behind pipelines and power systems in a fairly accessible way however I imagine it would be quite difficult for people who have never done physics. It introduces risk management and options in an easy to read fashion.The only reason I gave it four stars is due to the incongruous 20 or so pages in the middle of the book in which the author gives us his significantly misinformed view on renewable energy. I hadn't heard this one before, but apparently wind energy's ability to limit oil imports is seriously offsetted by the need for lubricating oil in the wind turbine.Two minutes on google tells me that a typical wind turbine (1.5MW) consumes about 100L of oil per year. That's about 1MWh of energy. A wind turbine has a typical capacity factor of 30% which means it would generate approximately 4000MWh of energy per year. Thus the energy used for the lubrication oil is 0.025% of the energy generated.So my advice is to buy the book but skip chapters 4.5-4.8.2 of 2 people found the following review helpful. Great Energy Trading PrimerBy Tariq AlbazzazThis book is probably the best energy primer I've come across. From covering the actual physical technologies to derivatives and how it's all connected, this book really drives it home.8 of 8 people found the following review helpful. So far... Fantastic!By Thomas SnodgrassI'm not done reading this book, but so far it has been a fantastic introduction to the energy markets. Some of the material is repeated over and over, but it only helps reinforce the ideas. There are also some typos, but not to the point of being annoying. If you are looking for a great intro to the energy markets, including some of its physical characteristics (e.g., what it is, where it comes from, how its transported, how it's processed, and where it ends up), then this is the book for you. The author has substantial experience in the energy markets and he wrote this book as something he wishes he had read when he got started.

ldquo;The essential training manual for anyone who expects to profi tably engage the energy market while avoiding the devils lurking in the details.rdquo; Kurt Yeager, former President and CEO of the Electric Power Research Institute and coauthor of Perfect Power Shrinking fossil fuel supplies, volatile prices, deregulation, and environmental conservation have transformed the energy market into a major arena for making money. In response, an unprecedented amount of capital and investment manpower has fl ooded into the energy market. Older utilities are finding that their quiet, safe business has changed dramatically in a short period of time. Now, Energy Trading and Investing provides a big-picture introduction to the industry along with the trading know-how and fi nancial details that every market participant needs for success. This hands-on guidebook covers all types of energy marketsmdash;from the big-three markets of electricity, natural gas, and oil to the growing markets for liquefied natural gas, emissions, and alternative energy. It provides useful information on the interdependence of the different energy markets, who the major players are, and how Wall Street trades energy products. Energy Trading and Investing features: An overview of the entire energy market In-depth descriptions of all of the major energy commodities Financially oriented discussions of how chemistry, physics, accounting, and option pricing affect trading Primers on load forecasting, tolling agreements, natural gas storage, and more A practical introduction to risk management Written by a pioneering quant in the energy market, Energy Trading and Investing provides a highly disciplined and organized approach to profi ting from energy investments. This potent combination of detailed, up-to-date information alongside expert know-how thoroughly prepares you to invest and trade with confi dence in the energy market. If yoursquo;re a serious trader, you need to understand the energy markets, and Energy Trading and Investing is the only book you need to trade successfully in this growing sector.

From the Back CoverHow to profit in one of todayrsquo;s fastest-growing financial markets! With diminishing fossil fuel supplies and the growing specter of environmental change, governments are using the free market to minimize the cost of adopting sustainable energy policies. This makes energy one of the few markets that is rapidly expanding, and it is now one of the hottest investment opportunities in the world. Energy Trading and Investing offers a comprehensive and practical introduction to energy trading?from the big picture of how different products are related to each other to in-depth explanations of the jargon and fi nancial mathematics that trip up new traders. Energy Trading and Investing features: A detailed introduction to each of the major energy markets: electricity, natural gas, petroleum, coal, and emissions Primers on advanced topics like storage, wheeling, load forecasting, and pipeline transportation Examples of ways to invest in wind power, carbon emissions, thermal solar power, and other new marketsAbout the AuthorDavis W. Edwards is a managing director at Macquarie Group and is responsible for managing the credit risks of its North American energy investments. Macquarie, Australiarsquo;s preeminent fi nancial conglomerate, is one of the largest energy companies in North America through its subsidiary, Macquarie Cook Energy. Previously, Davis headed the Mathematical Arbitrage Trading Desk at Bear Stearns. With several billion in capital and operated like a private hedge fund, the Mathematical Arbitrage Trading Desk handled Bear

Stearnsrsquo;s proprietary investments in the equities, energy, commodities, and option markets.