

THE FLUX INSTITUTE INTRODUCTION TO COMMODITIES & ENERGY TRADING

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(DURATION: 5 DAYS)

OVERVIEW

Flux Institute have developed a 5-day classroom training programme based on their Elite Trader Development pathway.

The programme navigates through the history & fundamentals of the oil industry, through the refined products and the key market players to trading the physical & derivative markets and identifying arbitrage opportunities.

Utilising live charts, the programme introduces fundamental analysis identifying the key drivers of energy prices. The programme also encompasses technical analysis, risk management, behavioural finance, and trader psychology. Leveraging Onyx's proprietary data, the course will utilize data analytics, Python, econometrics and quantitative analysis to engage in discussion on price action and market positioning. Using all this information we formulate and back test trading strategies using Python & ChatGPT. Additionally, the course offers insight into bond, FX, and equity markets, discussing inter-market correlations and their impact on commodity prices.

The course includes a half days dedicated to both trading psychology and live online trading simulations, where participants are pitted against each other in real-time market scenarios.

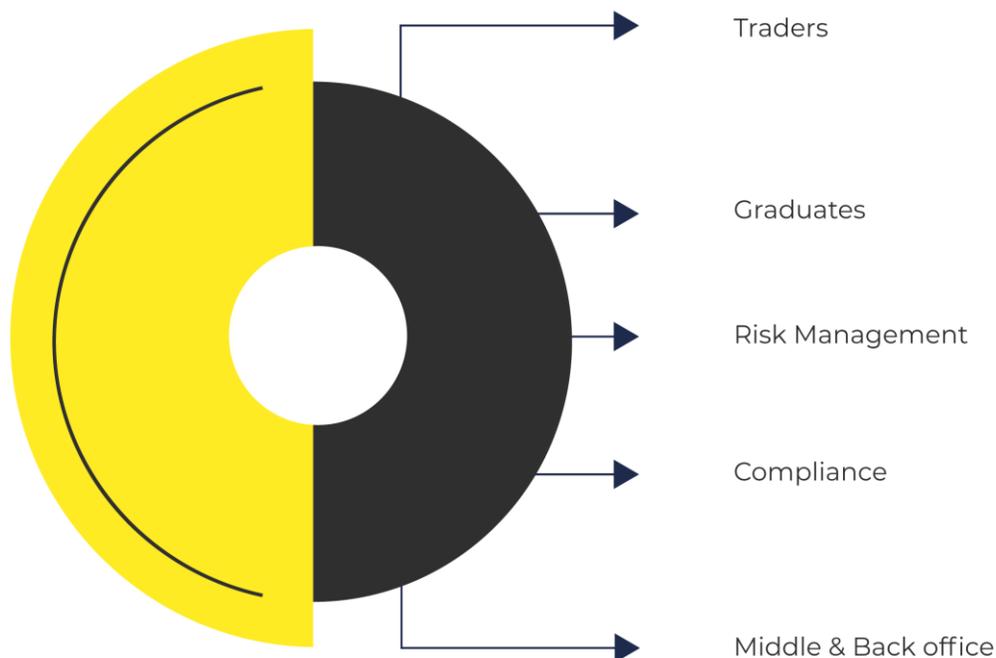
Throughout the programme, case studies, tests, quizzes, and a comprehensive end of course exam maintain engagement and facilitate continuous learning. The trading simulator provides participants with a professional platform to showcase and refine their trading skills in a pressured environment.

Upon successful completion, candidates are awarded the Flux Institute digital certificate, validating their proficiency in commodity markets, energy trading and market analysis.



TARGET AUDIENCE

Our comprehensive programme is designed to empower both graduates and prospective traders, while also delivering invaluable insights to professionals across various business lines, including risk management, compliance, and middle and back-office operations.



PROGRAMME METHODOLOGY

Instructor-led facilitation using live charts, interactive case studies, trading simulators, quizzes, tests, and our end-of-course Flux Institute-certified exam. The Programme also includes in-person presentations from Onyx traders, brokers, and research, as well as members of risk and compliance.

LEARNING OBJECTIVES

Upon completion of the programme, participants will gain a comprehensive understanding of:

- The fundamentals of the oil industry, its history, extraction, refining, transportation, and pricing. Plus, an understanding of the wider commodity markets.
- The numerous participants trading in the oil market, plus their roles and motives
- The drivers of energy prices in both physical and derivative markets. Plus, the forward curves
- The refined oil products, plus where and how they trade
- The distinction between hedging and speculation strategies
- Trading physical oil markets, and the link between the physical & derivative markets
- Price settlements and the significance of pricing windows
- The mechanics of derivative products; futures, swaps, and options, including why and how they trade
- Exchanges, margin, and OTC trading. Plus analysing liquidity & volatility.
- How to analyse markets with technical analysis, behavioural finance, and risk management.
- Trader psychology, with psychometric testing and review.
- Overview of bond, equity & FX markets and how they impact commodity & oil prices.
- Building a trading strategy with heuristics, process & discipline.
- Data analytics using Onyx proprietary data, Python, econometrics and quantitative analysis.
- Back testing trading strategies using Python & ChatGPT.
- Trading under pressure with competitive trading simulations.

PROGRAMME OUTLINE



MODULE 1: 1/2 DAY

Introduction - commodity & oil markets fundamentals

- Introduction to physical oil and its history
- The different methods of oil exploration and extraction
- Transportation and storage
- Crude oil quality, product refining, blending, & specifications
- The upstream/midstream/downstream players
- The refined products
- Pricing mechanisms
- Roles & key players in energy markets - Producer/transporter/refiner/end-user/hedger/market maker, HF/speculator (types of HF/algo/CTA/quants...), broker, asset manager, ETF, research....

CASE STUDIES

1

The market players and their hedging needs. A basic physical commodities deal.

2

Analysing the logistical complexity of oil transportation and the need for hedging.

3

Crack spread price movements and hedging requirements.

4

Commodities quiz

TEST: MODULE 1 REVIEW

MODULE 2: 1/2 DAY

What drives energy prices?

- Organisation of the Petroleum Exporting Countries (OPEC)
- Geopolitical events
- Supply & demand models
- Market positioning, open interest, COT data and Onyx proprietary research
- Physical versus paper price drivers
- Economic data
- Global macro – the importance of the US \$ and bond curves. What interest rates (OIS curve/Fed Funds futures) can tell us about the global economic outlook
- Volatility & liquidity
- Season movers & driving season
- Micro events – refinery outage, fractionator explosion...

CASE STUDIES

1

How might these scenarios impact the oil price? How will other markets be affected?

2

COT reports and Onyx data

3

2023 Medford fractionator explosion. What different ways might the market react?

4

EBOB during the Colonial Pipeline ransomware attack 2021.

TEST: MODULE 2 REVIEW

MODULE 3: 1/2 DAY

Commodity trading foundations

- Physical oil trading and price settlement
- Derivative products – futures, swaps, and options
- Exchanges, clearing and margin Versus OTC
- Oil derivative contracts network
- Crude oil – physical uses, derivative market, and the dated Brent ecosystem
- Global macro – the importance of the US \$ and bond curves. What interest rates (OIS curve/Fed Funds futures) can tell us about the global economic outlook
- Refined products
 - Petrochemicals
 - Natural Gas liquids
 - Gasoline
 - Naphtha
 - Jet fuel/Kerosene
 - Gasoil/diesel/heating oil
 - Very low sulphur fuel oil
 - Residual high sulphur fuel oil
 - Refinery margin
- Volatility & liquidity
- Season movers & driving season
- Micro events – refinery outage, fractionator explosion...

CASE STUDIES

1

May 2020 WTI trading at \$-40 barrel, and gold physical/futures dislocation. Plus, the impact of the COMEX silver market margin rule changes in May 2011 and its wider financial market implications.

2

Gas-napping at the wheel! Feb 2024

3

Swaps versus futures roll off. How would you manage this market makers position?

4

Identify the link and trading opportunities between products, calendar spreads and geographies.

5

Gasnaph breaking the physical economic ceiling in 2022.

TEST: MODULE 3 REVIEW

MODULE 4: 1 DAY

Technical analysis, risk management and predicting market behaviour.

- From traditional forms to technical analysis and candle stick charts
- Technical analysis as a risk management tool and the critical importance of a stop loss
- Trading spreads versus out rights with technical analysis
- Trading different time frames
- Moving averages and trend following trading strategies
- Bollinger bands and mean reverting trading strategies
- The critical importance of risk management and how to lose money well!
- Average True Range & risk management
- Hurst Exponential & ADX
- Oscillators & momentum
- The impact of volatility
- Why position sizing matters
- Introduction to Python
- Back-testing strategies using Python
- Game plans, journaling, review, and self-reflection

CASE STUDIES

1

Identifying trading strategies from current charts

2

The Turtle Traders Trading Strategy. Process & discipline

3

Position sizing test

4

Creating your own rules-based trading strategy

TEST: MODULE 4 REVIEW

MODULE 5: 1/2 DAYS

How to analyse the oil markets

- **Analysing physical and paper flows through Onyx's market intelligence**
 - Develop expertise in analysing paper flows integrating Onyx's market intelligence with your Supply & Demand models
 - Identify key trends and patterns in market movements and their implications for trading strategies.
- **Benchmarking Books at the Close of Trading Windows**
 - How to improve the accuracy to benchmark books using Onyx Flux settlement prices at two key times: 16:30 SG and 16:30 UK.
- **Utilising the CFTC COT Report and Onyx's COT Data**
 - What is the CFTC COT Report and how to use Onyx's COT market positioning data for OTC oil swaps as a complimentary analysis tool.
- **Utilising the CFTC COT Report and Onyx's COT Data**
 - Learn to use Onyx's COT dataset, which classifies counterparties into 8 types and includes levels for short and long positions, to have an up to date, extensive interpretation of trader positioning for the oil derivatives complex.

CASE STUDIES

1

Review of Onyx data. Analyse how Open Interest (OI) is in comparison to the 5-year average and OI ceiling (Maximin OI across prior 5 years).

2

Analyse long/short market positioning ratios for:

- The last 7 days to help discover the first steps towards predicting a behaviour
- The overall market trading split to help identify market directional risk and potential actions in physical pricing or vulnerabilities.

3

Examine who the counterparties buying and selling in the market are to determine hedging or speculative behaviours.

The counterparty breakdown of Onyx follows 8 categories: Majors/National Oil Companies, Trade Houses, Refiners, Producers, End Users, Banks, Hedge Funds, and Market Makers/Prop Traders.

TEST: MODULE 4 REVIEW

MODULE 6: 1/2 DAY

Behavioural finance & trading psychology

- Psychology & how we make decisions – neuroscience & neuroeconomics
- Performance preferences – a strengths-based approach to trading
- Understanding our hardwiring – how the brain responds to pressure
- Chemicals in our body and how they influence our trading (with a focus on adrenaline, cortisol & dopamine)
- Our behavioural biases and how they impact trading and investing
- Identifying OUR OWN biases and emotions
- Why do traders lose money? – research and statistics
- The 5 stages of loss
- Traits of winning traders – research and statistics
- The importance of process and discipline
- Psychometric testing and feedback
- Lessons from other markets – EURCHF, Nickel, Iron ore & cotton, GameStop & AMC, Tesla/Lucid/Rivian, Zoom & Peloton, Crypto, Nvidia, and many more!

CASE STUDIES

1

Behavioural finance quiz

2

Risk management and the rules of trading

TEST: MODULE 6 REVIEW

MODULE 7: 1/2 DAY

Amplify-Me Trading Simulator

Participants will use the state-of-the-art Amplify-Me simulator to learn to assess their skills within a similar environment which mirrors real-world trading scenarios. This immersive approach enhances participant engagement and enjoyment, and with detailed analysis of results, highlights every aspect of traders' skills and weaknesses.

Trading WTI and Brent in both HF/Speculator/Hedger and Market Maker/Broker roles Module

1: ➤ Roles & key players in energy markets ➤ Producer/transporter/refiner/end-user/hedger/market maker, HF/speculator (types of HF/algo/CTA/quants...), broker, asset manager, ETF, research....

Module 2: ➤ Global macro – the importance of the US \$ and bond curves. ➤ What interest rates (OIS curve/Fed Funds futures) can tell us about the global economic outlook / Volatility & liquidity / Geopolitical events / Micro events – refinery outage, fractionator explosion / Season movers & driving season / Economic data

Hedging physical delivery of Kerosene with choice of derivatives - HF/Speculator/Hedger Role only

Module 3: ➤ Physical oil trading and price settlement ➤ Derivative products – futures, swaps, and options, ➤ Oil derivative contracts network ➤ Refined products - Petrochemicals - Natural Gas liquids - Gasoline - Naphtha - Jet fuel/Kerosene - Gasoil/diesel/heating oil - Very low sulphur fuel oil - Residual high sulphur fuel oil - Refinery margin ➤ Volatility & liquidity ➤ Season movers & driving season

MODULE 8: 1 DAY

Introduction to Python coding & modelling. Peak performance in trading & dealing under pressure.

- Introduction to Python
- Downloading current & historical data from Onyx Flux platform
- Creating charts in Python
- Data manipulation in Python
- Econometrics and quantitative analysis of downloaded data
- Creating, back testing & analysing trading strategies using Python & ChatGPT
- How to build ruthless approach to relentless self-improvement
- Statistics proving the importance of nutrition, fitness, rest/sleep, water, mindfulness/meditation....
- Factors impacting cognitive performance. Stress reduction and techniques for immediate and long-term health benefits
- Creating a winning environment & building a team around values
- **End of course exam.**

CASE STUDIES

1

Basic Python data download and manipulation.

2

Creating a winner – sports psychology, can we replicate it in the workplace? The traits of the world's top athletes and business leaders.

END OF COURSE. ONYX INSTITUTE CERTIFIED EXAM.

***** COURSE REVIEW AND CONCLUSION *****

TRAINER BIO



JAMES BRODIE

Head of Learning and Development

James has over 20 years of front-office trading experience having worked for investment banks and a hedge fund in London, New York, Tokyo, and Singapore. He also has over 10 years of lecturing & facilitation experience, travelling to 21 countries, and teaching with over 40 clients. He specialises in Commodity Markets, Global Financial Markets, Technical Analysis, Behavioural Finance, Risk Management & Performance Enhancement.

James is also a Chartered Market Technician (C.M.T.) and was a Board member of the Chartered Market Technicians Association for 7 years. He has appeared on Bloomberg television numerous times conducting live interviews on current market risks and trends. He was also the Chief Investment Officer for a Singapore-based Hedge Fund where he programmed algorithmic trading systems based on rules developed from his trading experience and technical analysis background.

As Onyx's Head of Learning and Development James designs & delivers specific courses around commodity markets, technical analysis, strategic trading, behavioural finance, risk management & relevant programs that address knowledge gaps. He also uses live charts to discuss these topics in the current market environments.

James' clients have included, Abrdn, Barclays, Citibank, Credit Suisse, DE Shaw, Goldman Sachs, HSBC, JP Morgan, BP, Nomura, ArcelorMittal, Petronas and Manulife Asset Management.

James also rowed for Great Britain and won medals at three consecutive World U23 rowing championships. He is a three-time national rowing champion of Great Britain, has completed 8 Ironman triathlons around the world, and has twice swum from Alcatraz to shore!

TRAINER BIO



CHRIS GOODER

Performance Director

With over 15 years of applied experience, Chris has a distinguished background in the field of Performance Psychology, supporting clients and teams from the world of business and elite level sport. His expertise in the areas of resilience, emotional management, team dynamics and decision making have enabled him to optimise the performance of those who are required to thrive in environments of extreme pressure.

Having started his career in elite level football, Chris went on to work with world class athletes in Tour level tennis and golf, Olympic disciplines and UCI ProTour cycling. His more recent experience has been as part of the renowned Performance Psychology team at the FA working with England football teams and perhaps most notably as the most recognised figure in delivering Performance Psychology in Formula 1, over an 8-season period supporting numerous drivers and teams.

From the Formula 1 paddock to the boardroom, Chris has taken his learning from working with world class operators in the sporting space and translated this to business, delivering human performance programmes across a range of industries, to organisations including Goldman Sachs, UBS, Samsung and Laing O'Rourke.

As Onyx's Performance Director, Chris works closely with the traders and leadership groups to optimise operations, foster an environment of continuous improvement and ensure that the team are equipped with the best tools to deliver results, in a world where demonstrating resilience and making the right decision under pressure is paramount.

As a keen sportsman himself, when not at the office Chris can be found on a golf course (attempting to!) perfect his swing as well as maintaining his fitness by running around after his young children.

TRAINER BIO



REMONA TEFAJ

Business Development | Origination | Direct Trader

Remona Tefaj combines hands-on commercial experience in global oil markets with digital innovation. She has been involved across data and analytics, working closely with top-tier institutions and trading firms to drive liquidity, transparency, and efficiency in OTC derivatives and energy trading.

Her professional experience spans across the EMEA region, with a focus on crude, refined products, and NGLs markets. Over four years, she has built strong relationships with major trading houses, national oil companies, and hedge funds -bridging the gap between traditional trading desks and modern, data-driven execution strategies.

At Onyx Capital Group, Remona plays a key role in Flux, the firm's proprietary OTC liquidity and analytics platform, where she drives product adoption, digital trading execution and market development. She also contributes to The Officials independent Reporting division and Onyx's wider education and outreach programs.

Remona's background blends finance, behavioural strategy, and international business, shaped by her studies in King's College London.

Beyond the desk, Remona is an active content creator, producing educational and lifestyle material on TikTok and LinkedIn to make oil-market insights more accessible to younger audiences and aspiring professionals.