



Shipping Risk Management & Derivatives (An Applied Approach)

There is a strong need to understand risk emanating from uncertainties in shipping revenue and expense forecasts. A very high volatility in shipping, which is usually not seen in other industries, is required to be managed through physical as well as derivatives hedging. This basic one day program first builds the foundation in required aspects of statistics and corporate finance in a focused and meaningful way. This is then followed by a number of examples to explain risk management, basis risk, hedging by FFA trading and understanding different types of options.

Course Outline

- Introduction to Shipping Risk
(Defining Risk, its impact on project assumptions, Revenue, Expenses, Asset Values, Interest Rates and availability of finance for shipping (uncertain margins) and Credit Risk (Static & Dynamic)

PDCC - Registration

Understanding Risk

Shipping Project Analysis, Relevant statistics (building blocks), Hedging Basics, Portfolio Management Basics (Return versus Risk)
Diversification, Basis Risk and its mitigation, Value at Risk

Derivative Instruments

Types and Examples, Forward Freight Agreements, Physical Versus derivatives hedging, Options Basics, Hedging losses and developing law

Date: 25th & 27th August 2020 (two sessions of 3.5 hours each)

Time: Hong Kong / Singapore / China: 3 pm - 6.30 pm

India: 12.30 pm - 4 pm

Dubai: 11 am - 2.30 pm

Qatar / Cyprus / Istanbul: 10 am - 1.30 pm

Geneva: 9 am - 12.30 am





Course Leader

Jagmeet Makkar

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Chairman of Maritime & Logistics Arbitration, Hong Kong Centre of International Commercial Arbitration



Jagmeet has a unique combination of academic prowess, teaching and vast experience in commercial and technical areas of shipping. He is a Shipping & Energy consultant, educator and a maritime arbitrator. His more than 3 decades of hands-on experience in Ship-Management, Conversions, New-Buildings, Ship Sale & Purchase, Chartering & Marketing to acquire cargo contracts has enriched his contributions in various industry forums. Jagmeet is a supporting member of the London Maritime Arbitrators Association, a member of the Hong Kong Maritime Arbitrators Group, a fellow of the Hong Kong Institute of Arbitrators, and a member of the Chartered Institute of Arbitrators. In his recent post-graduation (MSc Energy, Trade and Finance) from Cass Business School (City, University of London), Jagmeet was awarded First Position with Distinction, and was offered a lifetime membership to the prestigious Beta Gamma Sigma Society. This is an example of his dedication to the enhancement of education and skills.

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