

Steel Hedging 101

Introduction to Managing Price Risk

- 8:30 AM **Registration opens**
- 9:00 AM **Introduction to Course and Instructors**
- 9:30 AM **Introductory Hedge Concepts**
- Why Hedge?
 - Hedge Practices
 - Facilities
 - Futures/OTC Markets
 - Understanding Risk
- 10:00 AM Questions & Answers
- 10:20 AM **Refreshment Break**
- 10:40 AM **Structure of Trading**
- Margin
 - Clearing
 - Settlements
- 11:10 AM Questions & Answers
- 11:25 AM **Terminology – Language / Definitions of Futures Trading Concepts**
- Forward Curves and Current Markets
 - Backwardation vs. Contango Markets
- 11:40 AM **CRU to Speak on HRC Index**
- How is it developed
 - How does it work
 - Relationship with CME
 - Integrity of the Index (audit)

- 12:05 PM Questions & Answers
- 12:15 PM **Lunch**
- 1:15 PM **CME – What are futures and how does the exchange work**
- 1:50 PM **Futures / Swap Hedge Strategies**
- Life of the Hedge from conception to completion
 - Step One – Financing the trade
 - Step Two – executing the trade
 - Step Three – clearing the trade
 - Step Four – settling the trade
 - Ongoing Step – adjusting for basis risk
- 2:35 PM Questions & Answers
- 2:50 PM **Market Update and Key Indicators**
- 3:20 PM **Refreshment Break**
- 3:40 PM **Practical Hedge Examples**
- Vanilla Inventory Hedge
 - Arranging a Fixed Price Sale
 - Hedging a Forward Purchase
 - Spread Trading
 - Arbitrage
- 3:25 PM Questions & Answers
- 3:40 PM **Next Steps**
- Examples
 - Opening an Account
 - Costs to Trade
 - Selecting a Broker, Bank, Etc.
- 4:00 PM – Questions & Answers / Closing Comments