Excellent Subject Treatment

This book offers tools and methods for analysis and management of energy risk. Energy and Power Risk Management, Second Edition addresses the complex issues and challenges arising in the expanding market for energy derivatives, providing you with insight into modeling, hedging, and risk management techniques utilized in the energy markets. This fully revised and updated second edition provides significantly more coverage of the oil and oil product markets as well as commodity-linked fixed-income products, and also reviews the impact technical developments in modeling and model estimation have made within this industry over the last few years. This book addresses the application of quantitative techniques to development and effective implementation of risk management and trading strategies in commodities (energy and metals). It also addresses the challenges in applying quantitative techniques to highly volatile commodity markets, and explains both theoretical tools and their practical application—along with a detailed analysis of their performance. It expands the coverage of principal trading/risk management strategies in commodities markets, including convergence trading and structured risk trading (volatility and correlation). The book: presents expanded analysis of various structured products, which are of great significance to the efficient functioning of commodity markets; offers tools and strategies for producers, wholesale consumers, investors, and dedicated risk management participants of the commodity markets; provides case studies of effective energy derivative valuation techniques; and, includes more examples of the various techniques for energy valuation, estimation, and hedging. Energy and Power Risk
Management, Second Edition is an essential read for anyone involved in this evolving field.

My Personal Review:
Until now there were a handful of papers, precious few books, and mostly inside proprietary models and experience that dealt with the complex subject of power trading and all its flavors. This book provides a nice summary of many of the present issues. The treatment of the subject is somewhat mathematically rigorous, so the book might not be for traders as much as it is for quants or risk managers. To me, the greatest strength of the book lies in its fairly detailed analysis of what DOESN'T work, i.e. why common models and methods from the financial and other commodity realms can not be successfully grafted onto the energy market without risking significant valuation and cash flow prediction errors. The hybrid model they formulate towards the end of the book is very similar to Skantze and Illic (2001). The departure from most previous models is that they attempt to use the markets to formulate and calibrate the structure instead of relying too much on past historical price/load data, which without some empirical understanding of the underlying processes, is fraught with danger due to rapidly evolving nature of the power market (or at least once rapidly evolving--it seems to be a little static at the moment). Some familiarity with the market and stochastic/statistical mathematics is assumed. References to specific topics and more in depth analysis of particular subjects are good. The authors have a grip on real-world trading, risk, and cashflow issues, which makes this a useful reference for just about anyone associated with those aspects of the power market. I recommend it.

For More 5 Star Customer Reviews and Lowest Price: