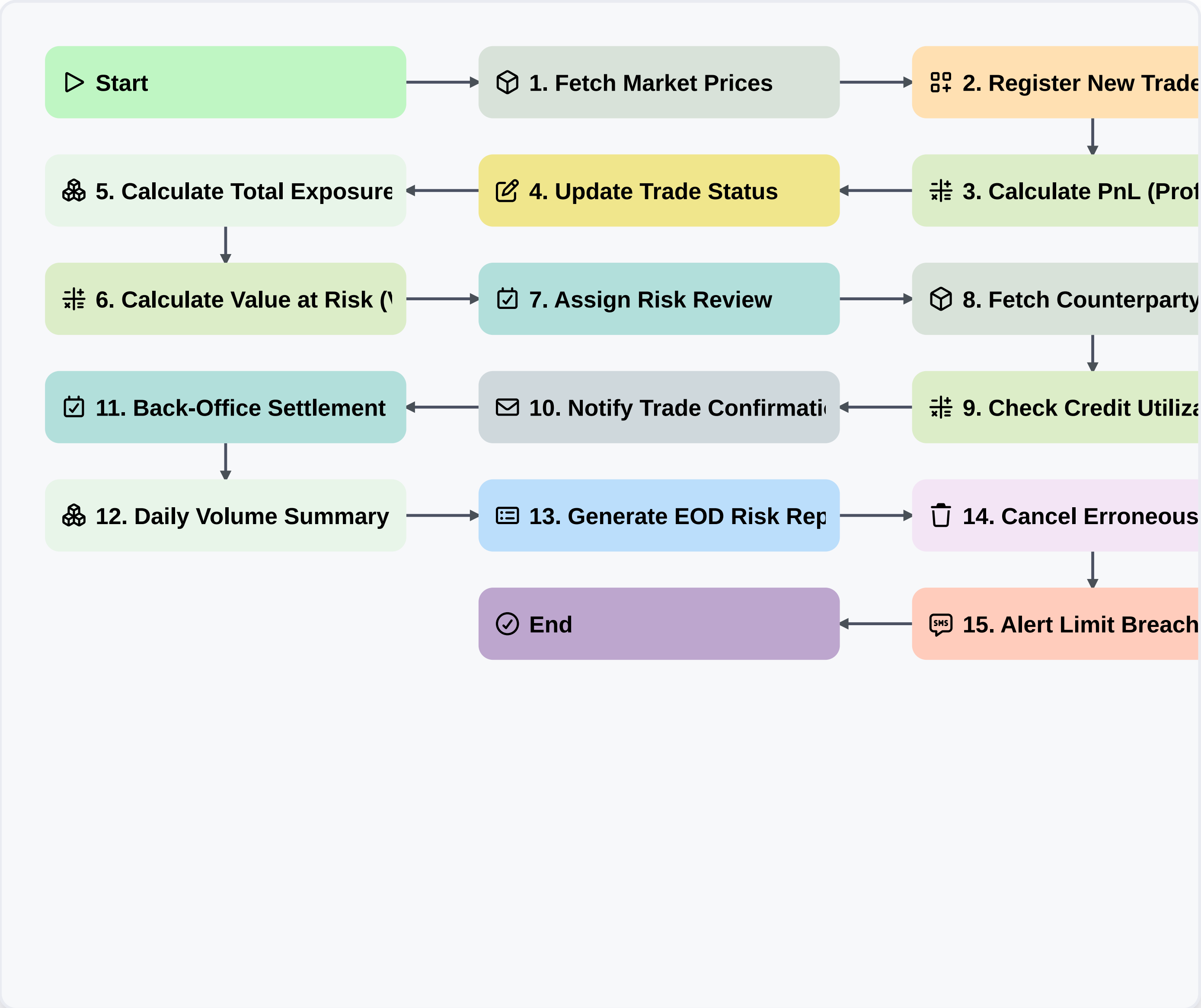
ChecklistGuro

Energy Trading And Risk Management



Start
Start of the Workflow/Process.

1. Fetch Market Prices
Retrieve current market spot prices and forward curves from the Market Data model.

2. Register New Trade
Create a new trade entry in the Trade Ledger model with details like volume, price, and counterparty.

3. Calculate PnL (Profit and Loss)
Calculate the unrealized profit or loss by comparing trade price against current market prices.

4. Update Trade Status
Update the status of a trade entry from 'Pending' to 'Confirmed' or 'Settled'.

5. Calculate Total Exposure
Aggregate all active trade volumes to determine the total net position for a specific commodity.

6. Calculate Value at Risk (VaR)
Execute a complex formula using historical volatility and position size to estimate potential loss.

7. Assign Risk Review
Create a task for the Risk Manager to review trades that exceed predefined VaR limits.

8. Fetch Counterparty Credit Limit
Retrieve the remaining credit capacity for a specific counterparty from the Counterparty model.

9. Check Credit Utilization
Compare current trade value against the retrieved counterparty credit limit.

10. Notify Trade Confirmation
Send an automated email to the counterparty with the trade details for confirmation.

11. Back-Office Settlement Task
Create a task for the settlement team to initiate the movement of funds based on the trade date.

12. Daily Volume Summary
Sum the total energy volume (MWh/Bbl) traded during the current business day.

13. Generate EOD Risk Report
Create a comprehensive End-of-Day report summarizing PnL, Exposure, and Limit Breaches.

14. Cancel Erroneous Trade
Delete a trade entry from the ledger in the event of a manual entry error (requires audit trail).

15. Alert Limit Breach
Send an urgent SMS to the Head of Trading when a real-time risk threshold is breached.

End
End of the Workflow/Process.