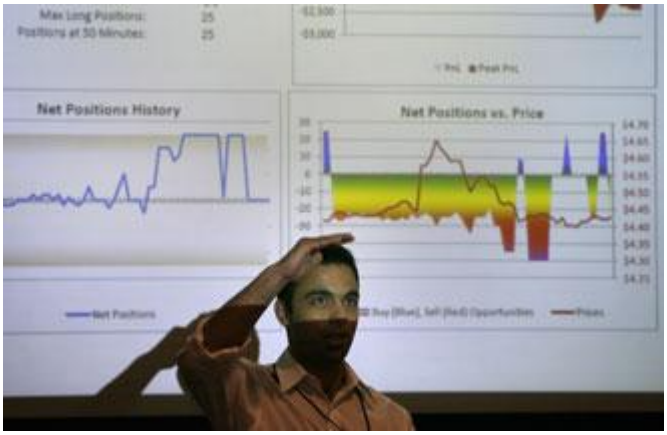
Freeman hosts 2010 Tulane Energy Trading Competition

October 18, 2010

Some of the world's largest energy trading firms will be at the Freeman School of Business on Saturday, Oct. 23, to see the country's best collegiate energy traders put their risk strategies to the test in what's becoming one of the most ambitious and realistic university trading contests.



> In just two years, the Tulane Energy Trading Competition has become one of the nation's premier trading events for both students and industry recruiters.

In just two years, the Tulane Energy Trading Competition has not only established itself as proving ground for students to test their skills using the most cutting-edge, real-time trading simulation software, but it has also developed into a prime recruiting opportunity for leading energy firms. The success of last year's event led the Chicago Mercantile Exchange (CME Group) – the largest and most diverse exchange in the world – to partner with the Freeman School to underwrite the competition.

This year's 28 finalists earned their place by successfully trading for two weeks, amongst a group of 174 students from 33 top-ranked universities, with simulated accounts against the live crude oil and natural gas futures markets. All of the

students used Trading Technologies and Thomson Reuters professional software and were ranked based on their risk-adjusted returns.

“This is a demanding event on the students that have participated thus far. We are challenging them to use the same markets, trading software and risk management criteria that the top energy firms employ,” says Joe LeBlanc, director of the Freeman School's Trading Center. “The finalists will now be challenged to not only trade against one of the most sophisticated energy trading simulations in the marketplace, but will be required to present their trading strategies and explain their ultimate results before our outstanding panel of top energy trading executives who will determine the top five university energy traders. This is difficult. This is what it takes to be the best.”

In addition to approximately $375,000 in cash and cash equivalent prizes from sponsors, the students will compete for an opportunity to be selected for internships and jobs at participating firms.



Organizer Joe LeBlanc says the competition was designed to emphasize the skills that leading energy trading firms are looking for in their recruits.

“We wanted to provide the opportunity for students to continue their education in the energy market by providing them with the leading energy software services from Thomson Reuters, Logical Information Machine (LIM), Imagine Software and data from the CME Group, which will allow the winners to continue to follow and analyze the energy markets while preparing for careers in this exciting field,”

LeBlanc says. Entergy Corp. will award cash prizes of $1,500, $1,000 and $500 to the first, second and third place winners.

The contest even has a twist when judges step in to trade against students in a refinery crack spread simulation. Refinery crack spreads are the margins earned by refineries for converting crude oil into an array of finished products. Students will simultaneously buy and sell crude oil, gasoline and heating oil futures as the judges participate in the heating oil marketplace to gauge how students respond to different real-life market events.

“The goal is to challenge students with actual trading orders of real energy firms which involves reducing risk while securing market trading opportunities for their firm. The idea is to create a trading competition more aligned with what employers want in the marketplace,” LeBlanc says.

Tulane’s Trading Center integrates Trading Technologies’ X_TRADER trading platform, Thomson Reuters news, analytics and charting software, and Logical Information Machine’s analysis and forecasting tools into a seamless, powerful simulation environment that is uniquely linked directly into the CME Group’s wide area network to provide students with the most realistic energy trading environment available today.

Contest judges include top executives from Accenture, Cargill, Chevron, Citigroup, ConocoPhillips, Energy Management Institute, JP Morgan, Lincoln Capital, LIM, Luminant, Marathon Oil, Sempra Energy, Sequent Energy, Shell Trading, Trade Forecaster and Vitol Americas. Student finalists represent 10 schools, including Tulane, Babson College, Carnegie Mellon, Michigan State, Northwestern, Rutgers, Texas A&M, University of Texas at Austin, University of Toronto and Washington University in St. Louis.

Competition sponsors include Trading Technologies, Thomson Reuters, LIM, Imagine Software, Entergy, Global Association of Risk Professionals (GARP), Mirant, Sequent Energy and Accenture. For more information, visit www.trading.tulane.edu.