



# AGRICULTURAL TRADING



**Course Date:** TBD



**Course Length:**

2 days

8:30 a.m. – 4:30 p.m. EST  
each day (includes 60 min.  
lunch break)



**In-Person Onsite**



**Instructor/Host**

Richard Weissman  
Nour Zekhmi

## Questions?

For more information or to register,  
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## WHAT YOU WILL LEARN

Taught by Mr. Richard Weissman, a world-renowned author and agricultural trader, this two-day live course is filled with techniques, analysis and insights that only his 30 plus years of trading experience can bring. This course will provide you with a solid foundation in agricultural trading as you explore all the instruments, tools and techniques available to ag traders today. We'll explore the nuances and idiosyncrasies of these markets, understand the risks and rewards across various agricultural sectors and develop a macro view designed to improve your performance and help you develop a robust trading program.

### Topics covered include:

- The basics of agricultural trading
- Ag trading vocabulary
- The what, why, how, and who of agricultural trading
- What types of activities are entailed in the generic job title, "ag trader"?
- How traders trade agriculture – trading instruments and how they are used
- The history of agricultural trading markets
- What moves ag prices
- What are the most popular trades in today's agricultural markets and why?
- The structure of today's ag markets
- The role of CME Group
- What are HTAs and when to use them
- How to trade the basis
- Real-time trading examples for all agricultural products using various technical tools and techniques
- How various tools and techniques work from the perspective of both professional speculators and commercial hedgers in agricultural markets
- The ins and outs of technical and fundamental analysis
- Real-time trading examples for various agricultural products

# Course Syllabus – Day One

## Morning Session

### Session 1: Overview

- What is agricultural trading:
  - What are ag markets
  - Who trades agriculture and why?
  - Basic types of agricultural traders

### Session 2: What moves agricultural prices

- Essential factors impacting ag markets:
  - Demand
  - Supply
  - US Dollar
  - Geopolitics
  - Weather
  - Technical analysis

### Session 3: Futures trading

- Why futures? Historical overview of the development and characteristics of agricultural futures markets including:
  - What is standardization how it fosters liquidity
  - Margins and mark-to-market
  - The role of the futures exchanges and FCMs
  - General terminology

### Session 4: Options basics

- Why commercial hedgers use options
- Calls
- Puts
- Writers
- Holders
- Inputs for determining option premiums

## Afternoon Session

### Session 1: Options basics – trading simulation

Using actual past price history, attendees will make options trading decisions. By the end of this simulation, you will understand:

- Calls vs. puts
- Being a writer vs. being a holder
- In-the-money, at-the-money and out-of-the-money
- How volatility impacts trading decisions in options

### Session 2: History of agricultural trading markets

- Agricultural trading in the 1990s
  - Grains, livestock and other products
- Agricultural trading in the 2000s
  - Grains, livestock and other products
- Agricultural trading in the 2010s
  - Grains, livestock and other products
- Agricultural trading in our decade
  - Grains, livestock and other products

### Session 3: Agricultural market analysis: Technical vs. Fundamental

- What is technical analysis and how is it used by ag traders
- What supply and demand factors that impact ag markets?
- How agricultural traders combine fundamentals with the charts

### Session 4: Futures Spreads

Why are spreads so essential to commercial hedgers in agriculture? What is the carry trade? How do various spreads relate to basis risk? This session answers all these questions as well as providing a thorough examination of popular ag spreads such as bull and bear spreads, quality spreads in grains and livestock, locational spreads in grains, the crush spread and the cattle crush.

# Course Syllabus – Day Two

## Morning Session

### Session 1: Managing basis (correlation) risk

In this session, we will examine cash grain basis and how commercial hedgers trade basis in agricultural markets. Attendees will see various historical examples of outright physical market risks as well as how basis prices move over time. Finally, using historical outright and basis charts you will make trading decisions on the future trend of the basis for multiple elevator locations.

### Session 2: Overview of agricultural trading markets

- Overview of popular agricultural trading markets: corn, soybean complex, wheat, cotton, cattle and hogs
- Key elements successful traders monitor in agriculture
- Bull and bear spreads
- What is the crush spread?
- The Kansas City/Chicago wheat spread
- The hog/corn ratio

### Session 3: Trader psychology and trading the news

- How agricultural traders trade the news
- How successful agricultural traders, "Trade Like a Casino"
- How a disciplined approach dampens fear and greed
- Trend-following, mean reversion and contrarian theory

### Session 4: Price risk management

- For over three decades price risk management has been our forte. This session introduces attendees to the basics including:
  - Stop-losses
  - Correlation risk
  - Volatility analysis
  - Portfolio level risk management

## Afternoon Session

### Session 1: How agricultural traders use technical analysis

- Overview of classical technical analysis – support, resistance and trendlines
- How Dow Theory augments analysis of price with volume and open interest
- How trend-following traders use moving averages

### Session 2: An introduction to mathematical technical analysis

- The pros and cons of oscillators
- How relative strength index can help
- MACD and the MACD histogram
- Why Bollinger bands are popular in ag trading

### Session 3: Directional option spread strategies

This session provides a detailed examination of various directional spread strategies, such as collars, vertical debit spreads and backspreads. We will emphasize matching directional spread strategies with the hedger's directional and volatility forecasts. This session includes a trading simulation where attendees will trade collars and vertical debits spreads based on their directional and volatility views.

### Session 4: Putting it all together

In this final session, we'll develop a rule-based active hedge strategy using various tools and techniques examined throughout the two-day course including futures, options and option spreads from both the perspective of the producer as well as the consumer of agricultural commodities.

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## MEET YOUR INSTRUCTOR

Mr. Richard Weissman is one of the world's foremost authorities and thought leaders in the fields of derivatives, risk management and technical analysis. He is the author of two books: *Mechanical Trading Systems: Pairing Trader Psychology with Technical Analysis* (Wiley, 2004) and *Trade Like a Casino: Find Your Edge, Manage Risk and Win Like the House* (Wiley, 2011) which was a finalist for the 2012 Technical Analyst Book of the Year Award.

Richard has more than 30 years of experience as a derivatives trader and has provided training and consultation services to traders and risk managers at investment banks, hedge funds, energy and agricultural companies for more than 20 years. He has helped train staff from virtually every major firm that uses derivatives including Morgan Stanley, Citicorp, Exxon-Mobil, Shell, Exelon, Cargill, CFTC, EIA, Platts, Intercontinental Exchange and CME Group. He has been the featured speaker at leading industry conferences throughout the world.



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