



## Online Seminar

# Shipping Derivatives & Forward Freight Agreements (FFAs)

### About

This seminar provides a comprehensive understanding of shipping derivatives and Forward Freight Agreements (FFAs), focusing on their theoretical foundations and practical applications in risk management and freight market trading. Participants will explore the use of derivatives to hedge freight market risks, analyze pricing models, and understand how FFAs and freight options function within the shipping industry.

### Specific Areas Covered

#### Module 1: Introduction to Financial Derivatives & Risk Management

##### Introduction to the Course

- Overview of the seminar and key learning objectives
- Fundamental concepts of risk management in shipping
- Risk-return relationship and key financial risks
- Overview of financial markets & derivative products

##### Introduction To Derivatives | Futures & Forwards

- Basic types of Derivatives
- Time Value of Money
- Forward & Future contracts
- Mark to Market of Futures contracts
- The role of the Clearing house
- Categories of Futures contracts
- Futures contracts Series
- What a Future contract price represents
- Future contract Basis
- Futures Cash versus Physical Settlement
- Futures hedging example
- Main differences of Futures & Forward contracts

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## Option Contracts

- Introduction
- Options Payoffs
- Options Price Properties
- Factors affecting Option prices
- Put Call Parity
- The Black and Scholes model
- The Implied Volatility in the BS equation
- Implied Volatility Smile and Term Structure
- Limitations of the BS model
- Option Greeks
- Option Greeks effects on Option prices

## Module 2: Shipping Derivatives & Forward Freight Agreements (FFAs)

### Brief Intro to Shipping Indices

- Brief note on the Shipping Industry and Types of Shipping Freight Contracts
- Costs under different Contract types
- Spot Freight Rate formation
- Time Charter Equivalent (TCE) spot Freight Rates
- Time Charter Rates formation
- Shipping Indices, The Underlying of Shipping Derivatives
- The Baltic Exchange at a Glance
- Shipping Indices & Routes with Derivatives Traded on

### The Theory of Shipping Derivatives & FFAs

- Introduction to Shipping Derivatives
- Forward Freight Agreements - FFAs
- Key Uses of FFAs
- How FFA trades are concluded
- Baltic Forward Assessments & FFAs mark to market
- FFAs Settlement conventions
- BFA Quotations
- FFA forward curves traded
- Months, Quarters & Calendars FFA Compositions
- Factors Affecting the FFA forward curve
- Liquidity & other issues in FFA markets
- FFAs Liquidity Evolution
- Regulation of FFA market
- Pros and Cons of using FFAs

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## Practical Applications for FFAs in Shipping

- Trading FFAs: Hedging VS Risk Taking
- Simple FFA sell trade
- Tanker hedge with FFAs
- Hedging a Panamax vessel
- Hedging Trip Charter routes with FFAs
- Hedging a series of voyages with FFAs
- Time Charter hedge with FFAs
- Summary of FFA contracts
- Freight Options Introduction & Liquidity Implications
- Asian Options Payoffs & Pricing formulas
- Freight Options Strategies examples
- Options selling
- Freight Options – A few technical notes
- Freight Options Quote table

## Conclusions | Special Topics

- Reading the FFA forward Curves
- The Importance of Constant Maturity Curves
- Choice of Hedging Instrument
- Tanker Hedge Ratio Calculation
- Hedge Ratios Calculation
- Descriptive Statistics for Freight Rates

## Ideal for

- ✓ **Shipping professionals** (charterers, shipowners, operators, brokers)
- ✓ **Financial analysts and risk managers** in maritime and commodity trading
- ✓ **Investors and traders** interested in the shipping derivatives market
- ✓ **Maritime law and finance professionals**
- ✓ **Students and early-career professionals** seeking specialized knowledge in shipping risk management

## Details

**Dates:** 21, 22, 23, 28 & 29 April 2026

**Hours:** 19:00 - 21:30 (GMT +3)

**Duration:** 5 Sessions

## Delivery Format

- Online, interactive sessions led by industry experts
- Live case studies and real-world applications
- Q&A sessions and participant engagement

## Fees

500,00 EUR (including tuition fees and learning material)

*ICS Members enjoy an exclusive 20% discount on all HMC Professional Maritime Seminars.*

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### Tutor & CV Resume

#### Dr. Kostas Theodoropoulos – Senior Portfolio Risk Manager

Kostas Theodoropoulos is a highly experienced Financial Portfolio Manager with 17+ years of experience managing financial derivatives and fixed-income portfolios, as well as FFA positions, particularly in the dry bulk sector. He holds the position of Portfolio Manager at a well established shipping company. He has a strong background in quantitative modeling, structured products, and risk management, having held key positions at Eurobank and HSBC.

Kostas holds a Ph.D. in Shipping Derivatives from the University of Piraeus, specializing in financial derivatives for risk management in the shipping industry. He has been designated as a Professional Risk Manager (PRMIA) since 2015.

### Certification

Participants will receive a certificate of attendance on completion of the course.