

Swing

Solution overview

Structure, value, hedge and analyse the volumetric uncertainty presented by swing contracts (from single contracts to whole portfolios) to achieve profitable trading strategies. Lacima's solution for swing contracts provides operations, structuring and valuation teams with the ability to handle complex features such as indexation, carry-forward, make-up and depletion, as well as to manage inter-year relationships.

Business benefits and key functional features

- **Calculate faster valuations** with the widest range of swing features compared to competitive software
- **Calculate daily support decisions** on optimal take volumes and swing rights
- **Price or mark-to-market** a single swing contract or a whole portfolio
- **Perform scenario analysis** for user defined price profiles
- **Calculate full distributions** for revenues, profits and take volumes
- **Report intrinsic, extrinsic, and full optimal value** including single scenario and full distributions of outcomes
- **Calculate** delta hedging positions
- **Report all optimal take volume decisions** as well as the critical prices to show the boundary between decisions on take or do nothing
- **Analyse** full granularity of value outcomes
- **Implement with no costly replacements** of existing deal capture systems and databases
- **Achieve full transparency** with published analytics methods readily available to clients
- **Utilise proven lattice based techniques** that do not rely on unstable Least Squares Monte Carlo methodologies which typically require large amounts of user intervention
- **Value indexation** to portfolios of fuels with a highly customisable payoff specification
- **Define contract quantities** on a daily, period or annual basis
- **Value clauses** for make-up, carry-forward and clawback
- **Specify constraints** for minimum bill, rolling minimum bill and rolling annual maximum
- **Handle price tranches**, early termination and depletion plus excess take

Fast and accurate valuations of complex gas and power swing contracts.

Lacima's models are developed and implemented by peer recognised experts and utilise proven lattice based techniques

- **Specify full maintenance scheduling** and interruptions (force majeure events)
- **Apply lead times** in 24 and 48 hour nominations
- **Enter most parameters or constraints** as time-dependent curves
- **Take advantage** of extensive report building and processing capabilities

Key systems features

- Integrate easily with any energy trading and risk management (ETRM) system and benefit from seamless data transfer and consolidated reporting
- Upload data (including market curves, historical data, valuations and previous runs) automatically and quickly
- Manage all your data - any previous results can be recreated as all data is saved
- Manage forward quotes and create forward curves
- Export results and analyse risk factors with ease
- Enjoy the flexibility of a spreadsheet within an application environment providing all the security and controls for good risk management practice and auditability

Models and methodologies

Lacima's models are developed and implemented by peer recognised experts. All standard valuation methodologies are available.

- The full optimisation uses a lattice based optimisation model with seasonal and weekday forward curve profiling
- The method allows the user the choice of using a range of single factor and multi-factor models
- All parameters and forward curves can be easily and efficiently managed
- All models can be auto-calibrated to historic spot or forward prices

Swing is a solution in the Valuation & Optimisation Suite within Lacima Analytics - Lacima's groundbreaking application for energy risk management, valuation and optimisation. Each suite or single solution can be delivered individually or combined seamlessly with any other suite(s) and solution(s) in Lacima Analytics to create an answer tailored to your specific needs.



About Lacima

Lacima is a specialist provider of software and advisory services dedicated to valuation, optimisation and risk management for global energy markets. We help you to maximise your profit potential and make more informed decisions by providing tools that yield more accurate valuations, hedging analysis and risk exposure analysis for portfolios of financial contracts and physical assets.

Clients of our software and services include structuring, valuation and risk teams in vertically integrated energy companies, energy retailers, financial institutions and large energy consumers in Europe, North America and Australasia.

Our software solutions have been developed and implemented by peer-recognised experts in energy analytics, offering an unparalleled level of expertise and personalised support.

For further information, visit www.lacimagroup.com
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