An Insider's Guide To Trading The Global Oil Market

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SAMPLE

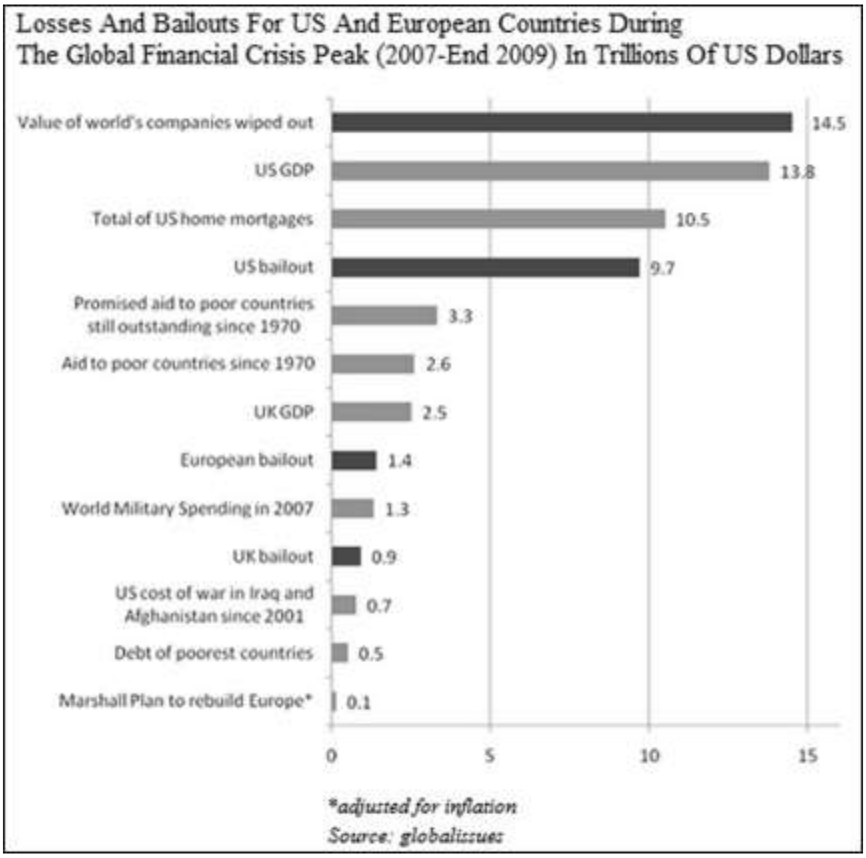
Why Trade, Why Oil And Why Now?

Why Trade?

No-one Else Cares About Your Money As Much As You

From the origination of modern functioning financial markets to the onset of the Global Financial Crisis (GFC) in 2007/2008, **the vast majority of people believed that making money from trading in the markets was a matter best left to professionals**, such as fund managers and stockbrokers. Most people believed not only that these professionals were invariably qualified and experienced in trading financial assets but also that they actually cared about generating the very best returns for their individual clients. This widely shared **view altered when the crisis began to fully unravel, exposing as it did stunning ineptitude on the part of many of these professionals either to generate profits for their clients or to hedge the risks.** It also exposed a criminal degree of collusion between the key elements of the global financial system – fund managers, banks and credit ratings agencies, in particular – highlighting that for them the client's interests did not matter at all.

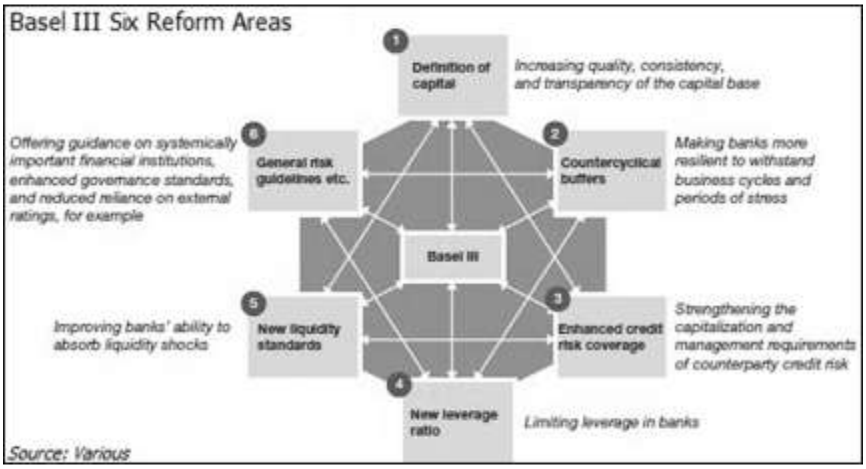
The Global Financial Crisis Exposed The Inadequacies Of Fund Managers



Despite this broad-based realisation, though, the overwhelming majority of people with money available for investment still decide to hand it over to exactly the same sort of professionals who were so ineffectual during the crisis, most commonly in the form of savings, investments and/or pensions. The consensus view on why anybody would trust these people again is that there have been a slew of reforms to the market that make the reoccurrence of such dismal performance and outright malpractice a thing of the past and that the current market professionals learned the lesson on treating clients with such contempt. In fact, neither of these suppositions is correct.

In the case of market reforms, there is an old adage amongst traders that 'where there's a will, there's a way around any rule' and it is the case that financial professionals have found a way to circumvent every single regulation introduced as a response to the GFC. This occurred even without the additional help of moves currently being undertaken by the administration of US President Donald Trump to roll back the key reform that sprung up after the crisis, which was specifically designed to prevent it happening again – the 'Dodd-Frank Wall Street Reform And Consumer Protection Act 2010' – and the similar rules rolled out in other developed markets, most notably the Basel III banking regulations.

Long On Rhetoric, Short On Reality



If and when the Trump-sponsored backtracking does take place, though, it will make avoiding the rules even easier. Indeed, **Trump has said that he would dismantle many of its restrictions in order to free up banks to boost economic growth, overlooking the fact that unrestricted banking practices to boost economic performance was the catalyst that led to the GFC in the first place.**

As it stands in practical terms, there is virtually no chance of a bank facing anything other than a slap on the wrist if it is found to be breaching the 'Volcker Rule' – a Dodd-Frank provision that banned banks from taking positions in the financial markets using their own (that is, investors') money.

In terms of financial professionals collectively experiencing a Damascene conversion in which they actually regard clients as most people think they do – that is, doing their utmost to generate optimal profits whilst minimising the chance of losses – nothing could be further from the truth.

They will never change, as long as standard management fees are charged, which will be forever. Virtually all fund managers – be they of the more conservative and secure pension or insurance fund variety or of the more swashbuckling and risky hedge fund type – charge every client a set fee for the money it is managing, a percentage of the total amount, whether they make any money or not.