

Tulane Energy Trading Competition Attracts Top U.S. Energy Firms

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Executives from top U.S. energy and trading firms came to Tulane University this weekend to see some of the country's best college and university traders-in-training face off to prove who could get the best risk-adjusted returns trading mock oil and gas futures at the inaugural Tulane Energy Trading Competition in New Orleans.

Twenty-eight students from six universities put their skills to the test in Tulane's cutting-edge trading room using the same Trading Technologies X_TRADER trading platform used by leading firms. Students were also equipped with charting software from Thompson Reuters.

Aneal Tenjarla from University of Texas at Austin won first place. Stephen Cacioppo of Tulane University's A.B. Freeman School of Business came in second, followed by Matt Gitelis of University of Illinois. Kellen Hayes, of Tulane, and Alexander Kirov, of Carnegie Mellon, placed fourth and fifth respectively. Top winners choose between a cash prize and internships with trading firms such as Chicago-based Webster Capital and TXU/Luminant.

Tenjarla said the contest was a great opportunity to learn trading strategy from industry insiders in a realistic environment that felt like an energy trading firm.

"This is probably the closest thing you can get to actually trading besides committing actual value and risking actual money," said Tenjarla, who will work as a financial analyst after graduation. "Before this competition, I really didn't know much about different trading strategies, different patterns of trading or how to use this technology. By the end of this, I felt like I got a good education."

The contest also featured student finalists from University of Chicago and University of Toronto.

What sets Tulane's contest apart from most trading competitions is that the winners weren't selected by who made the most money. Instead, the contest rewarded players for trading strategies that minimized risk while maintaining profits, which is an environment closer to what a new trader would face on the job.

"The idea was to create a trading competition that is more aligned with what employers want in the marketplace," said Joe LeBlanc, assistant director of the Tulane Energy Institute and organizer of the event. "We think that by adjusting for risk, combining several different performance measures and using the best trading software from Trading Technologies and Thomson Reuters, we're creating a competition that rewards responsible trading and more accurately reflects the way trading is truly practiced in today's energy firms."

"They are trying to show people how to take risks properly and that there actually are downsides to how you approach trading," said Parker Drew, a contest judge from RBS Sempra Energy. "They are trying to make people have to make cogent risk decisions or what I call "skin in the game.""

"The bulk of energy trading activity has moved from the trading pits in New York and Chicago to computer screens," said Leo Murphy from Trading Technologies International, one of the events sponsors. "For this reason, we felt it imperative to arm students with the same software that is used everyday by professional traders."

The competition also attracted executive observers and judges from leading energy firms, including Mirant Corp., TXU/Luminant, Geneva Trading, Sequent Energy, Webster Capital, Aardvark Energy, ConocoPhillips, CitiGroup, Entergy Corp., Shell Trading, LIM, Johnson Rice and Goldman Sachs.

The competition began in October when 21 teams from 13 business schools competed online over two weeks, using a mock \$100,000 account to execute at least five trades per day. The top teams qualified to participate as individuals in the final phase of the competition at Tulane on Saturday.

The Tulane Energy Trading Competition was presented by the Tulane Energy Institute, the Tulane Energy Club, CME Group, Trading Technologies and Thomson Reuters. For more information about the competition, visit <http://trading.tulane.edu>.