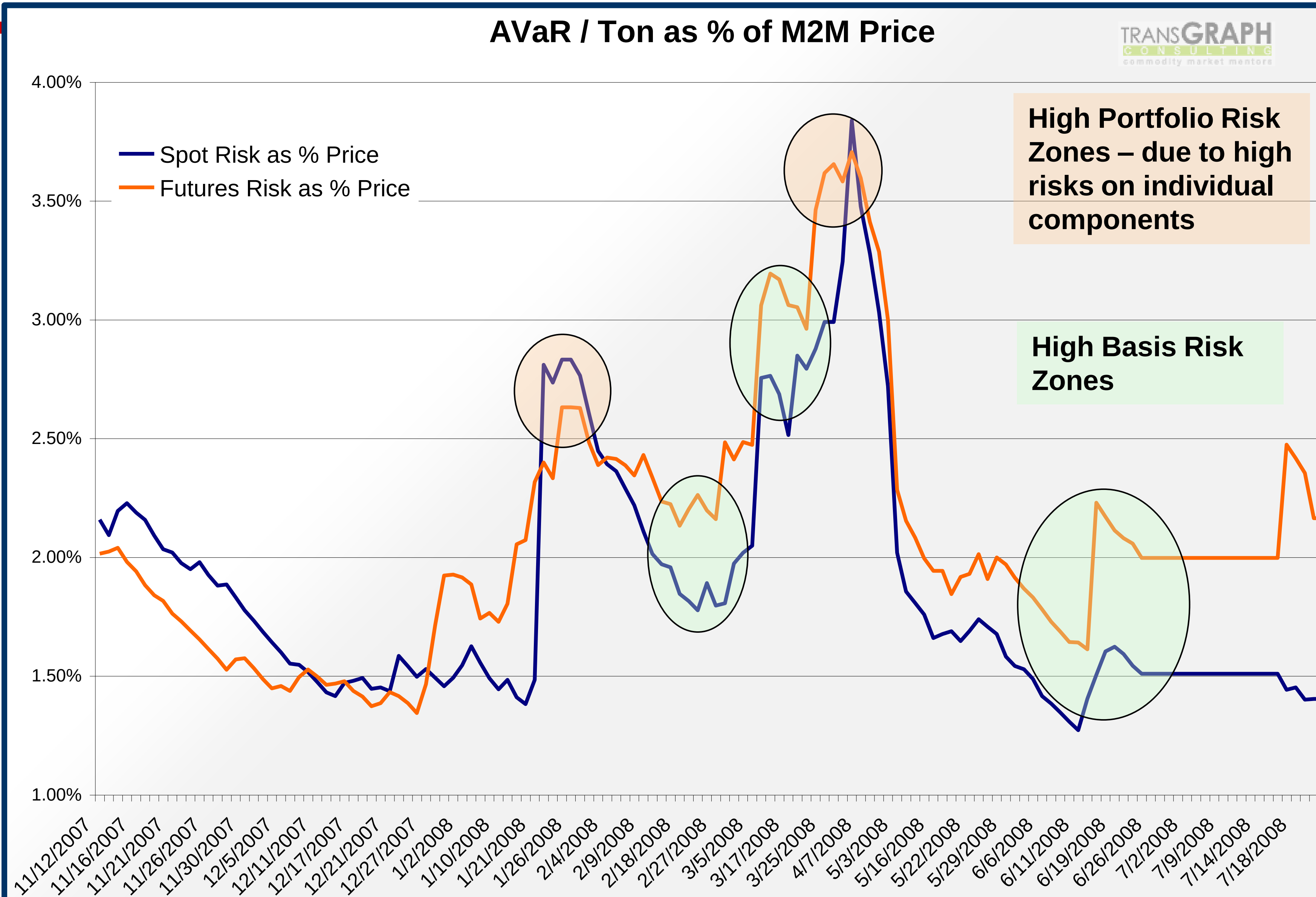
Using VaR in Trading Decisions

TRANSGRAPH

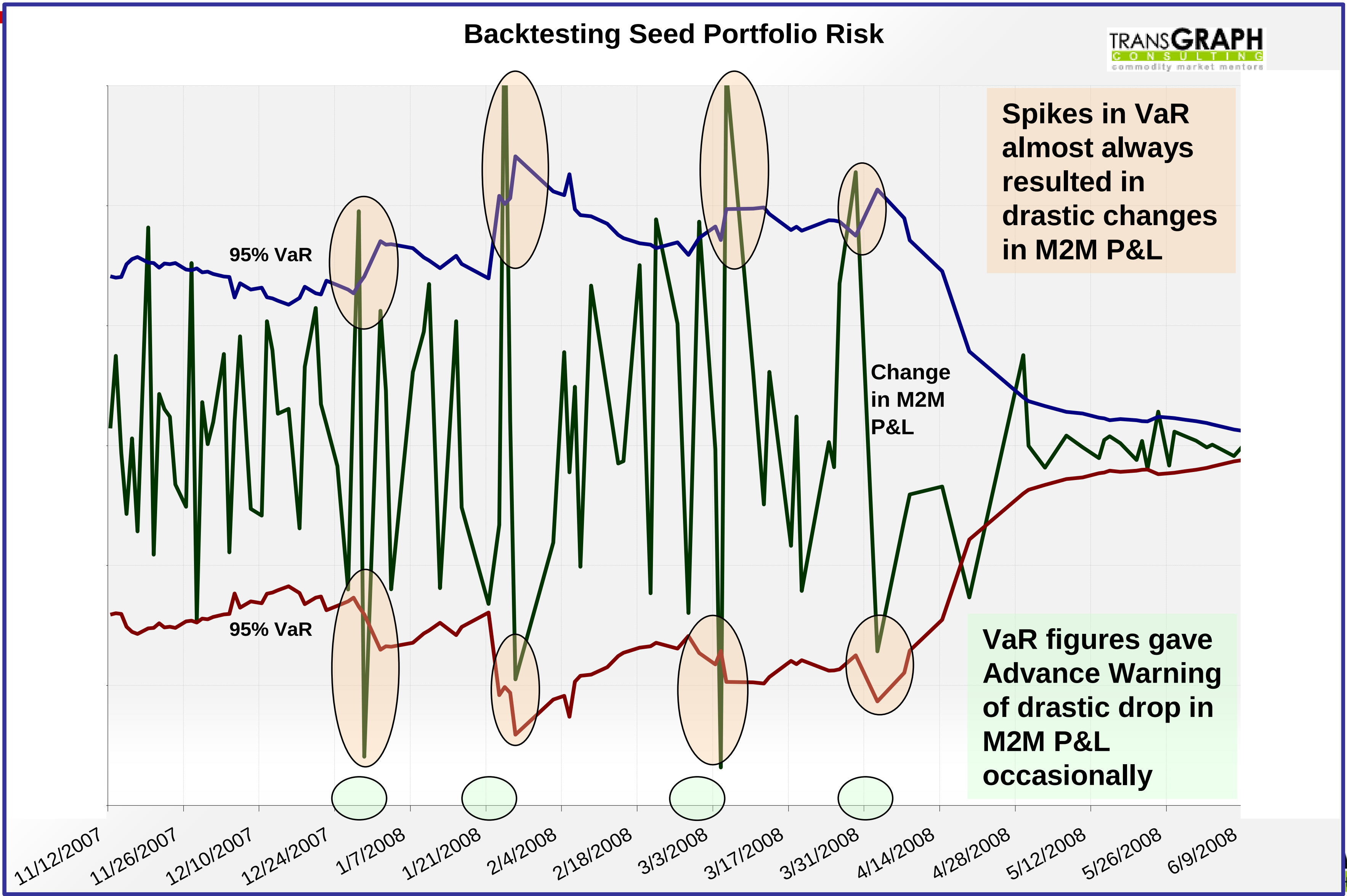
RESEARCH- CONSULTING- TECHNOLOGY

commodity market mentors

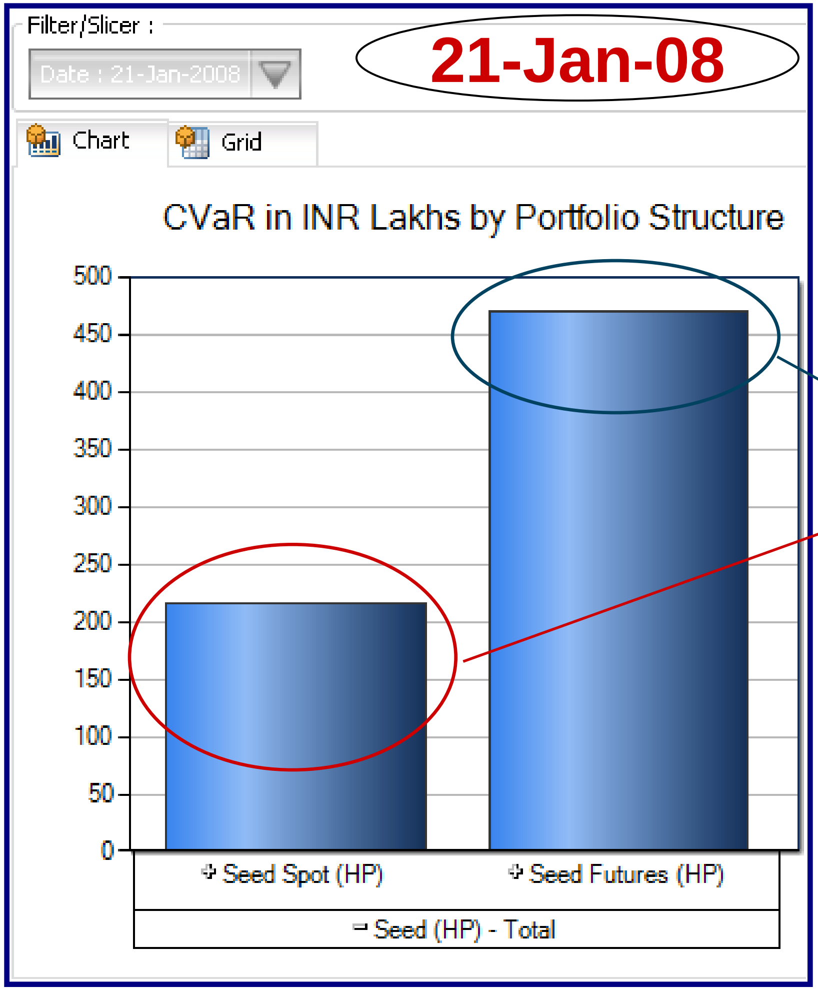
Identifying Critical Risk Zones

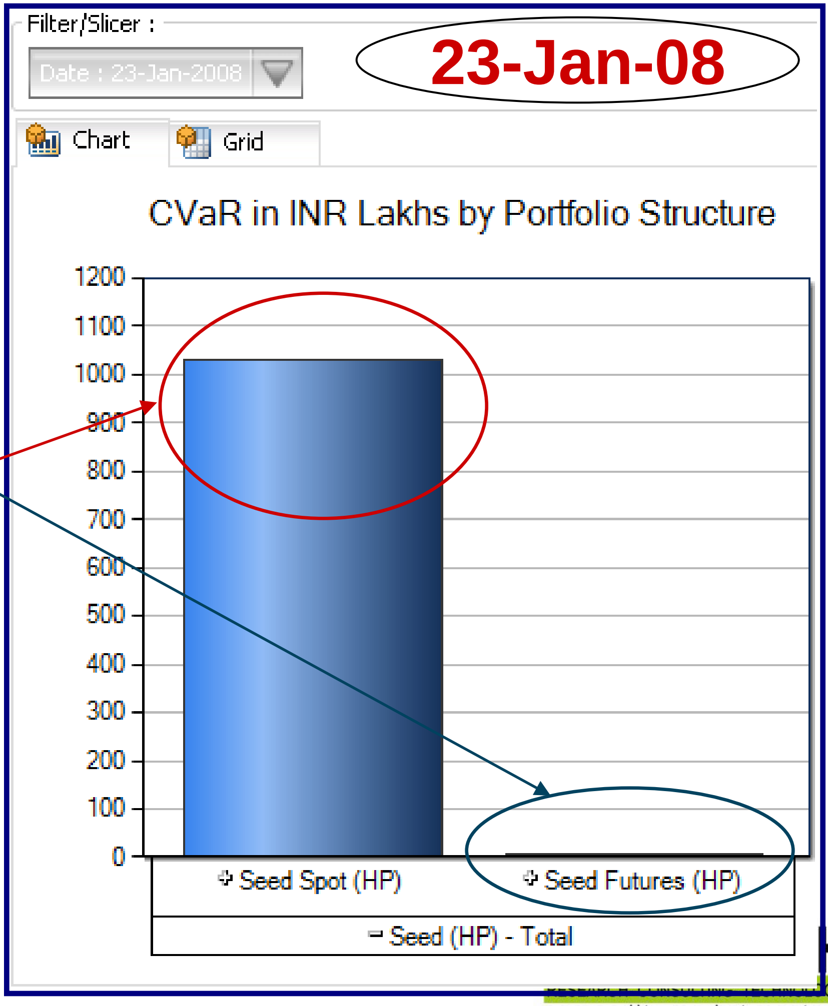


Realizing the Risk



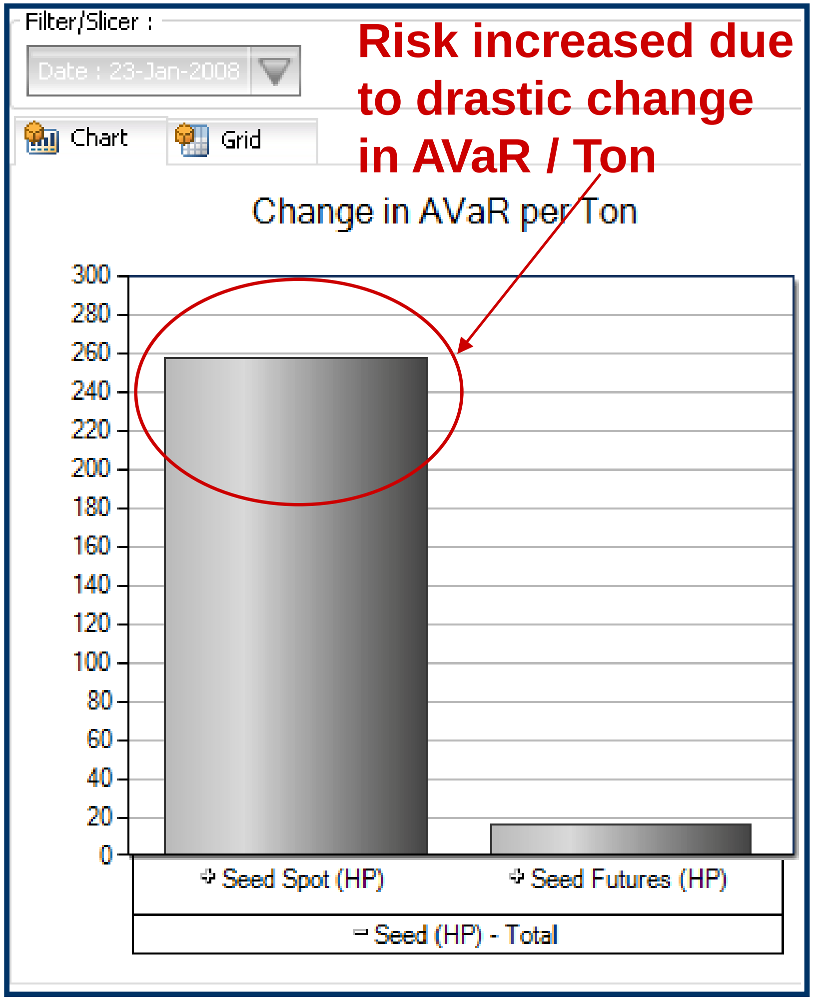
Analyze Changes in Risk

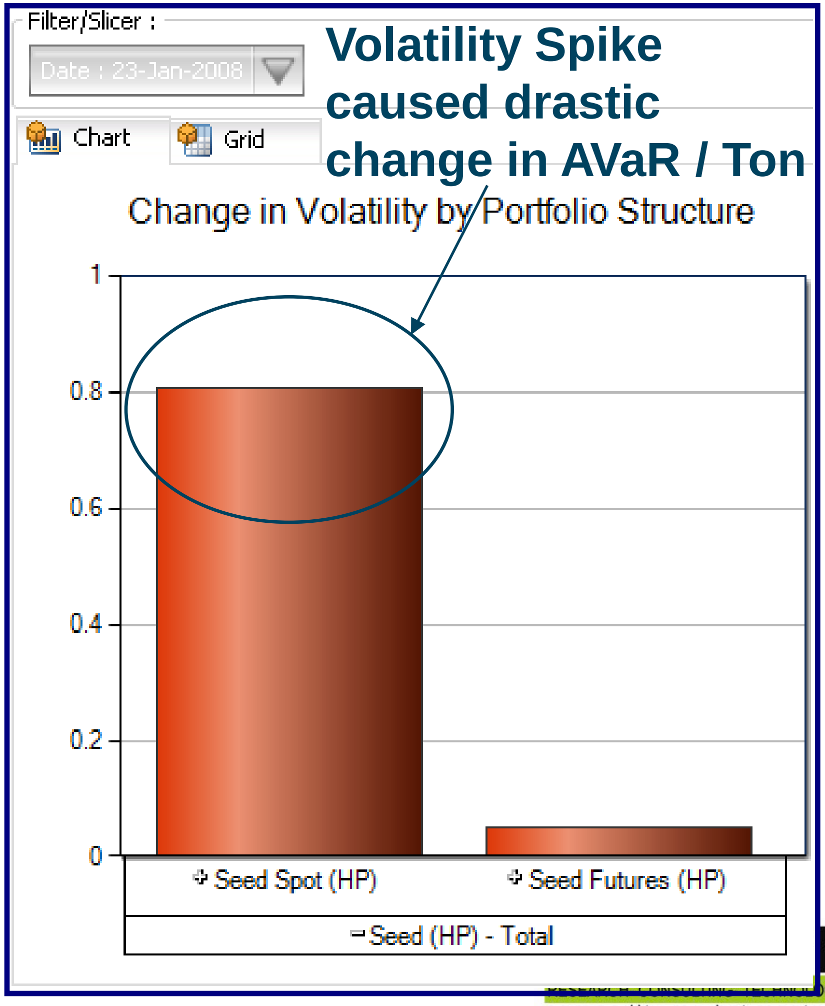




commodity market mentors

Drill-down on drastic Risk changes

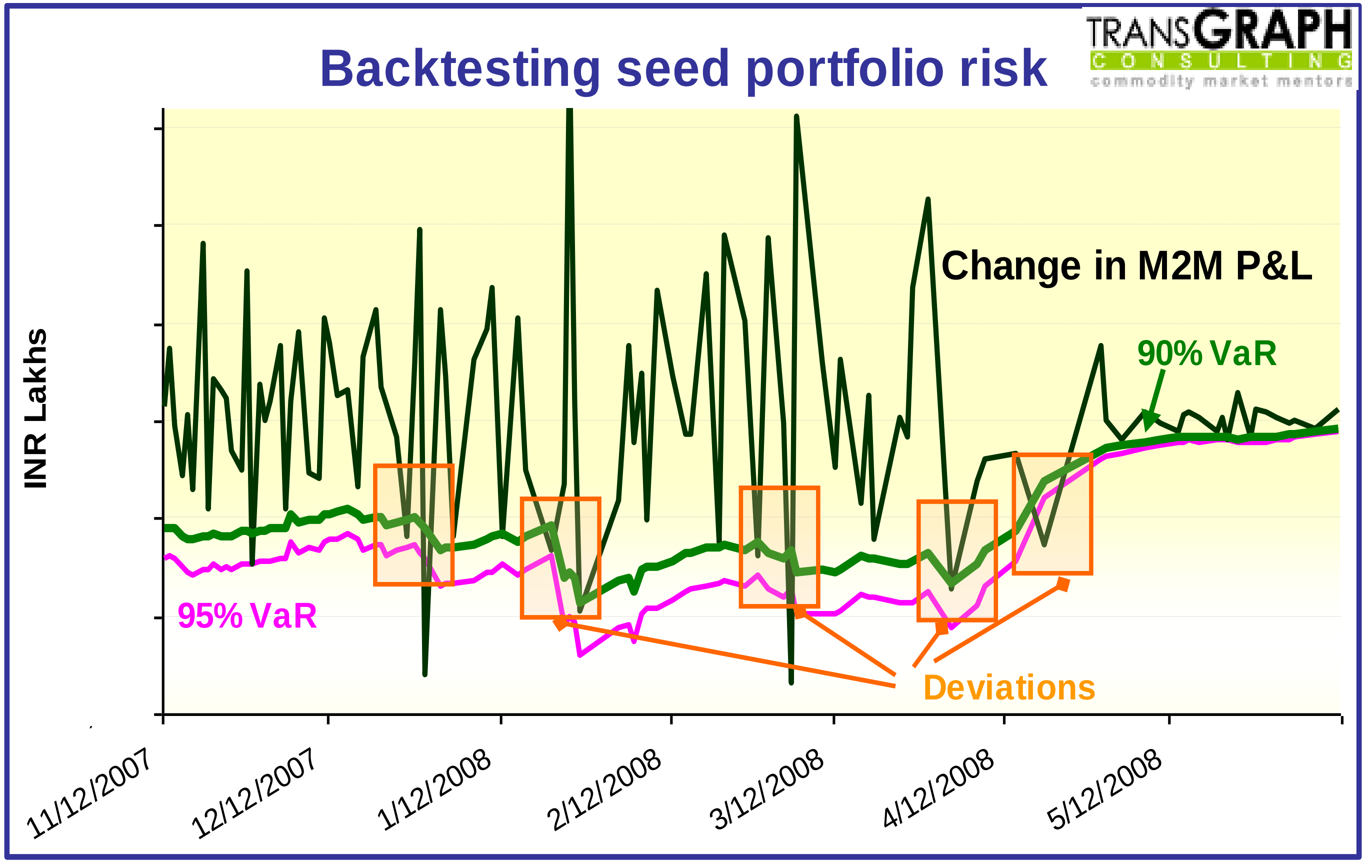




commodity market mentors

Back-testing VaR – How Robust is the model?

- Profit & Loss on a portfolio is measured by the daily change in M2M value
- Deviations with 90% CL: 8.49% (8/106)
- Deviations with 95% CL: 1.89% (2/106)



Thank You

TransGraph Consulting Pvt. Ltd.

6-3-655/2/1, AP Civil Supplies Bhavan Lane,

Somajiguda, Hyderabad – 500 082

Ph: +91-40-3340 4040, Fax: +91-40-30685002.

E-mail: mktg@transgraph.com, demo@transgraph.com

www.transgraph.com