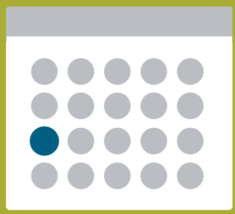
# 1234 Four Habits of Successful Commodity Price Risk Managers

Companies that stand the test of time are the ones that remain profitable and return value to shareholders, regardless of the market cycles. Companies that struggle are those that engage in "market timing" and lose focus, in particular when it applies to managing commodity price risk. To be successful:

## 1 PLAN

Focus on your company's needs, budget margin goals and risk tolerance to create a diversified hedging strategy.



## 2 DIVERSIFY

Don't put all your eggs in one basket. Instead, utilize futures and options from the Exchange, as well as tailored structured products and swaps. Even leave a portion of your portfolio unpriced.

## 3 ADVOCATE & EDUCATE

Review internal company policies to ensure pricing decisions and positions are in alignment. Advocate and educate within the organization to ensure you have the tools you need to be effective.

## 4 CHOOSE WELL

Choose your counterparty carefully. The best partners look to understand your business, challenge your thought process and offer solutions which align to your company objectives.



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