# Precious Metals Dealing Course: Gold, Silver, Hedging Limits and Settlement

6 – 10 September 2027
Madrid

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## Programme Summary

Precious metals dealing, from gold and silver price formation to hedging limits and settlement, is the subject of this one-week training course for treasury, dealing-room and risk leaders, ending in a dealing and limits plan for one metals book. Metal positions can lose value quickly, and weak limits or a failed delivery often surface only after a loss. The programme moves from market structure to price drivers, instruments, limits and settlement, using prepared position data. Mars Training Centre UK delivers this programme on precious metals dealing to mixed-organisation cohorts.

## The Business Case

Banks, treasuries, refiners and jewellery manufacturers hold gold, silver, platinum or palladium as stock, reserves, trading positions or hedges. Leaders who can read what moves each metal, choose the right instrument and set limits that a committee can monitor lower the chance that a price swing or a delivery failure becomes a reported loss.

- Position Loss Exposure: Falls when limits are sized to the book and breaches are escalated on a fixed route.
- Hedge Effectiveness: Improves when the instrument matches the exposure it is meant to cover.
- Settlement Failures: Decrease when delivery, metal quality and counterparty checks are made before dealing.

## Principles and Evidence Base

- Global Precious Metals Code: A principles-based code of conduct for the wholesale gold, silver, platinum and palladium markets, applied in Session 5 to review dealing conduct.
- Good Delivery Standards: Specifications for the metal accepted in the wholesale market, applied in Session 4 to test delivery readiness.
- Loco London Settlement: The practice of settling metal held in London accounts, applied in Session 4 to trace a trade from deal to delivery.
- LBMA Gold Price Benchmark: A published reference price for gold, applied in Session 2 to value positions and judge price moves.

## Intended Participants

- Treasury managers who hold or hedge metal exposure and report it to a finance committee.
- Dealing-room heads who set trading limits and review desk positions.
- Risk managers who monitor market, counterparty and settlement exposure in metal books.
- Procurement and commercial leaders who buy or sell metal and need a hedge policy.
- Back-office and operations managers who confirm, settle and reconcile metal trades.

Typical settings include bank dealing rooms, corporate treasuries, refiners and reserve management units.

## Learning Outcomes

1. Participants will be able to diagnose the drivers of gold, silver, platinum and palladium prices for a given market view.
2. Participants will be able to compare spot, forward, swap, lease and option positions by cost, risk and purpose.
3. Participants will be able to construct a hedging plan that matches an exposure to an instrument.
4. Participants will be able to calculate position, loss and margin limits for a metals book.
5. Participants will be able to evaluate counterparty and settlement risk in a metals trade.
6. Participants will be able to justify a dealing and limits plan to a risk committee.

## Programme Structure

## Day 1: Precious Metals Dealing Market Foundations

How is the precious metals market organised, and who deals with whom?

- Market Participant Map
- Spot and Forward Trade Cycle
- Unallocated and Allocated Account Types
- Quotation Conventions
- Exposure Inventory Sheet

## Day 2: Price Drivers and Valuation

What moves the price of each metal, and how is a position valued?

- Gold Safe-Haven and Rate Drivers
- Silver Industrial Demand Link
- Platinum and Palladium Supply Concentration
- Benchmark Price Valuation Sheet
- Scenario Price Table

## Day 3: Instruments and Hedging Design

Which instrument fits which exposure?

- Forward and Swap Hedge Case
- Metal Lease Cost Comparison
- Option Collar Case
- Exchange-Traded Product Review
- Hedge Matching Sheet

## Day 4: Limits, Counterparty and Settlement Control

How are positions limited and trades settled without failure?

- Position and Stop-Loss Limit Grid
- Margin and Collateral Call Table
- Counterparty Exposure Review
- Good Delivery Readiness Check
- Settlement Trace Sheet

## Day 5: Dealing and Limits Plan for One Metals Book

Do the findings join into a plan a risk committee can approve?

- Applying the Session 1 Exposure Inventory Sheet
- Testing Positions Against the Session 2 Scenario Price Table
- Assigning Session 3 Hedges to Each Exposure
- Reviewing Conduct Against the Global Precious Metals Code
- Completing the Dealing and Limits Plan

## Methodology

The programme is a structured exercise built on prepared price and position data for two metals books, one held by a bank dealing room and one by an industrial treasury. Participants value positions, match hedges to exposures, set limits and defend the result to peers acting as a risk committee.

- Suggested activity: Valuing a mixed gold and silver position under three price scenarios.
- Suggested activity: Choosing between a forward and a collar for a stated exposure.
- Suggested activity: Tracing one trade from deal to delivery and marking each control point.

## Capstone Output

Each participant completes a dealing and limits plan for one metals book. It holds an exposure inventory, a scenario price table, a hedge matching sheet, a limit grid and a settlement trace. At work it goes to the risk committee for approval and becomes the reference for later limit reviews.

## Frequently Asked Questions

### Is precious metals dealing suitable for managers who have not traded metals before?

Yes. Precious metals dealing is taught from market structure upward using prepared data. You need responsibility for treasury, dealing, risk or operations connected with metals, but no earlier dealing experience.

### Which codes and standards does precious metals dealing rest on here?

Precious metals dealing here rests on the Global Precious Metals Code, Good Delivery standards, Loco London settlement practice and the LBMA Gold Price benchmark, applied to prepared positions.

### How is the plan from precious metals dealing used at work?

You present the dealing and limits plan to your risk committee, use its limit grid to monitor the metals book, and keep its settlement trace as the control reference for later reviews.

### How does precious metals dealing differ from a programme on energy commodity trading?

Precious metals dealing concentrates on gold, silver, platinum and palladium, with their delivery standards and benchmarks, while a programme on energy commodity trading concentrates on physical fuel contracts, storage and transport.