

# Fuel price certainty

Secure your fuel cost against fluctuating market trends with Price Risk Management



1	7.9
16	1.4
18	4.4
5.3	6.89
0.7	0.91
9.6	12.48
6.1	7.94
4.8	6.24
0.7	0.91
5.3	6.89



35	24	4	4	40	52	85	105	27
30	26	9	4	35	45	85	97	22
30	23	3	2	35	50	85	92	20
25	22	4	6	36	45	81	83	30
25	21	4	3	34	47	81	83	30
25	20	1	4	35	38	81	93	16
25	19	2	3	33	37	73	96	27
25	19	2	3	30	37	70	76	31
25	19	2	4	28	34	64	72	14
25	18	1	4	31	34	62	63	24
25	17	4	5	28	31	59	74	23
25	18	6	3	27	31	59	74	23

One of the major factors threatening the growth and success of any business is the uncertain, often volatile, cost of fuel.

# Introducing Price Risk Management, from World Fuel Services

With over 30 years' experience in fuel procurement and logistics, World Fuel Services understands how volatile fuel markets can impact your business. We understand how the fluctuating cost of fuel puts pressure on margins, challenges your budgeting process, and can significantly hinder the realization of your business plans.

With our simple, effective Price Risk Management solutions, we place your business on a fuel agreement that matches your ongoing needs, providing greater control over your future fuel spend.

This brochure offers a brief overview of our range of Price Risk Management products. For further information, or to discuss your fuel purchasing requirements in more detail, please contact the WFS' core price risk team in EMEA, ASIA and US time zones at [DTSMarketing@wfscorp.com](mailto:DTSMarketing@wfscorp.com) or visit [www.wfscorp.com/risk\\_management](http://www.wfscorp.com/risk_management).

# Fixed Forward Pricing

Our Fixed Forward Pricing option enables you to purchase a fixed monthly volume of fuel, at a fixed price, for a specified future period (typically up to one year).

## Key benefits

- Removes uncertainty of fuel cost, assisting the budgeting process
- Provides flexibility of volume delivery across multiple locations
- Includes option of rolling volume forward (subject to price agreement)
- Full upside protection
- Reduced burden/greater assurance of supply

Obligation: Take or pay will apply. Once committed to lift a specified volume, you must either take the agreed volume, or cover the cost of the product.









# Capped Supply Pricing

With our 'capped' pricing option, we set an agreed maximum price per specified volume amount for the duration of your agreement, with no fixed minimum price.

If the market spot price falls below the capped maximum price, you pay the spot price during the whole period of your agreement. If the market spot price rises above the capped price, you pay only the agreed maximum price during your agreement.

## Key benefits

- Known maximum price of your fuel purchases hedges risks of market increases - upside protection
- No minimum price required - benefit from lower prices
- Capped price can apply to volume delivered across multiple locations
- Reduced burden/greater assurance of supply

Obligation: All Capped Maximum Pricing contracts are subject to a pre-agreed per-specified volume fee.

# Frequently asked questions

## **What happens if I fix my fuel price and market prices fall?**

You will still be locked in to the price, but you will have price certainty allowing you to budget effectively.

## **Will I have to 'take or pay' on my fixed price fuel?**

Yes. Once committed to lift a specified volume, you must either take the agreed volume, or cover the cost of the product.

## **I am worried that prices might rise but if prices fall then I will be uncompetitive in my industry, what can I do?**

In this instance, a 'Capped Price' contract would be recommended. For a fee per specified volume amount, you can have a maximum price but if the market price is below the maximum then you pay the market price.

## **I try to pass on fuel price rises to my customers but they would prefer that I offer fixed prices, can you help?**

A forward price can be fixed at the market rate and you can simply pass it through your contract with your customer.



**Why can you offer me fixed price contracts but my current supplier is reluctant to take the risk?**

We do not take the risk. We ensure that we are fully hedged and are therefore price neutral. Our Fortune 100, publicly-traded entity is the strong financial counterparty you need for this arrangement.

**Sometimes you can offer fixed forward prices lower than I can buy today but sometimes they are higher. Why?**

Market structures change over time. Sometimes forward prices are above spot and sometimes below. We give you the visibility to make informed purchasing decisions.

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# Your reliable partner in Price Risk Management

World Fuel Services is a leader in solving energy challenges for our customers. With integrity, responsibility, and a solid financial foundation, World Fuel delivers the solutions our customers require to succeed over land, air and sea.

Our transparency, solid balance sheet and breadth of products and services make us the partner of choice for thousands of customers and suppliers across the globe.

For further information on any of our services, please contact the WFS' core price risk team in EMEA, ASIA and US time zones at [DTSMarketing@wfscorp.com](mailto:DTSMarketing@wfscorp.com) or visit [www.wfscorp.com/risk\\_management](http://www.wfscorp.com/risk_management).





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