



Risk Management
Commodities Trading
Physical Logistics
Regulatory Compliance

Price 8.0

Streamlined pricing repository for complex pricing and risk reporting

With price volatility at an all time high, companies strive to simultaneously capture pricing information from divergent sources and utilize this time-sensitive information across business areas to value positions, manage exposure to price risk and develop business strategies. Incorporating this information into a single platform that can manage trades and risk is crucial. Failing to have the best available price information to support business activity can result in costly errors and loss in revenue.

Product Overview

The Allegro Price 8.0 component provides the ability to view and capture market pricing information, configure position valuation data and devise pricing strategies in support of essential deal making, position calculation and risk reporting activities. Allegro's Price component provides flexible tools to capture, create and access pricing data for any energy commodity including coal, natural gas, electric power, crude, refined products and NGLs and easily manage exposures to price volatility. When integrated with Allegro's Price Connect component, the system allows for automatic, instantaneous access from any commonly used external price data source directly into the Allegro 8 platform

Features	Benefits
Price Data Repository <ul style="list-style-type: none"> • Current Prices • Forward Prices • Option Prices • Currencies • Interest Rates 	Automatic access to the best available pricing data accessible to all business users for price risk management
Valuation Configuration <ul style="list-style-type: none"> • Forward Curves • Volatility • Correlations • Option Models 	Consolidated platform to streamline data needed for risk reporting including Mark to Market (MtM) reports, Profit and Loss reports, Value at Risk (VaR) calculations and Monte Carlo simulations
Price Methods <ul style="list-style-type: none"> • Fixed • Floating • Index • Trigger • Composite • Formula • Basket 	Flexible solution to easily manage the most complex pricing methods
Product Quality Adjustments	Automatic price management specific to a particular commodity product characteristics, such as gravity specifications
Full Audit Capability	Built in audit capability to provide accuracy and compliance

Business Case

The Allegro Price 8.0 component supports a wide range of pricing methods including fixed, floating, index, tiered, trigger, formula, basket, and composites such as averages, sums, floors and ceilings. When combined with Allegro's Price Connect component, the system can accept pricing data from any commonly used external price feed directly into the Allegro platform. Pricing can be set up for user-defined incremental time periods or for fixed and variable dates that reference one or more index. The component also provides formula pricing that allows users to define more complex pricing mechanisms. For example, an electric power pricing formula could include the average of NYMEX COB and MD PJM with a ceiling on peak hours.

The component supports forward price curves for each price index with flexible definitions of current and forward indices, basis valuations and adjustments. Forward price curves can be set for any combination of execution, product, market area and period, and a pricing method can be defined for each forward curve. Additionally, users can choose to override existing forward curves for a specified time period for particular trades.

The Price component also allows commodity-specific pricing methods such as conditional inclusion of composite indices for natural gas based on set minimum and maximum values; the adjustment of coal prices outside of contractual volume tolerance ranges so shippers can take advantage of the trade price and send more coal than contracted; and component pricing for compound NGL products by using the component makeup of the product and the component percentage of the product stream.

The Price component also utilizes contract data to set rounding and precision controls for pricing calculations.

The system tracks and records all actions in a complete audit trail. This helps assure users and management that trading and risk management practices are followed and minimizes the potential for exceeding trader or credit limits. Allegro's reporting capabilities allow users to take advantage of the best available data across user-defined criteria. Also, Allegro provides drill down capabilities to view contract information at any specified level of detail. Users can easily create their own ad-hoc reports, therefore eliminating costly custom coding or development.

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Allegro is a global leader in commodity trading and risk management solutions for power and gas utilities, refiners, producers, commodity traders, and commodity consumers. With more than 26 years of deep industry expertise, our enterprise platform drives profitability and efficiency across front, middle, and back offices, while managing the complex logistics associated with physical commodities. Allegro provides customers with agile solutions to manage risk across gas, power, coal, crude, petroleum, agricultural, emissions, and other commodity markets, allowing decision makers to hedge and execute with confidence. Allegro has recently been recognized as the Energy Risk Software House of the Year and received The Energy Business Awards Gold Award for Excellence. Headquartered in Dallas, Texas, Allegro has offices in Calgary, Houston, London, Singapore and Zurich, along with a global network of partners.