

Transcription of recorded conversation: *Tomás Moore, Trade Analyst*
(*Negotiation 1 year*)
Location: Park bench, Canary Wharf, London June 2013

Mark: Mm, can I ask your name first?

Tomas: It's Tomás Moore.

MC: That would be *Tomaus* (TM: Yeah.)...and what's your title?

TM: It's *Trade Control Analyst*.

MC: Okay. Can you tell me a little bit about that?

TM: On day-to-day basis...I operate within the...the risk function of...an *oil trading company*. So it's my role to make sure that...the traders do what they're...working within their *DOAs*, that they're...

MC: Explain DOA to me...

TM: *Directive of Authority*...so, y'know, they're not doing trades that they shouldn't be doing; they're not going out arranging... which they should be working, yeah, it's just working out the *P&L*...

MC: P&L?

TM: *Profit and loss*. So the day-to-day...monthly and generally analysing what are traders doing and if they're doing stuff as they should be.

MC: And so what sort of methods are used for analysis, if I can ask you?

TM: We have *in-house systems* that do a lot of it, okay. In my previous company it was much more hands-on, Excel-based...whereas now we have a system that kind of churns out the information, we just have to double-check that everything is as it says.

MC: Is that like a model...is that like a technology in terms of...*mathematical model*?

TM: Yeah, they're like...systems that the trader will put something in – we then go in and check and yeah, you...there is a mathematical model based there.

MC: Okay. Is there any relation to *algorithms* or...?

TM: They will...they will be in there...but it's not really - that's more of a banking kind of thing whereas when you work with physical oil, it's...you've got a ship with 10,000 tonnes on it...you *hedge* it with papers for 10,000 tonnes. So it's...it's not as highbrow as such that banking would be.

MC: Okay...I was thinking algorithms read articles even now talking about assessing whether a

TM: Yeah, I saw that...in Los Angeles? (MC: Yeah.)...yeah.

MC: So interesting. Can you tell me a little bit, like in terms of how you got to be doing what you're doing?

TM: Complete luck, actually...I dropped out of University...

MC: Where were you studying?

TM: I was doing Business in Canterbury...and dropped out so I needed something...I didn't want to, sort of, y'know, just end up in a mundane job and...

MC: And what were you studying?

TM: I was doing Business Studies, yeah. So I knew...I did Marketing and Accountancy as part of my course. So I got into...had a few interviews...got...just happened to get into an oil job with an oil company...in Accounts, like a *Junior Accounts Assistant*.

MC: So did you see the job...you applied for it?

TM: I was with a recruiter and they...they said *oh, we've got something that may be of interest* – it turns out I got the job and I was there for...six years...six and a half years but in that time I went through...I had...I saw...I was friends with the traders – I saw what they did and that intrigued me - I wanted to...to go down that route...so I got into like...after three or so years, I got into *risk*...and then after that so I moved to a larger company in the same position with the...the aim of trading myself.

MC: Okay, so you want to become a *trader*?

TM: That is the plan...yeah, yeah.

MC: And can I ask was that job was also here in London?

TM: It is, yeah.

MC: Okay...and so...in terms of how long it takes, in terms of, I suppose, almost like a mentorship, I suppose...to become a trader, how long does that process take or is it also a case of (TM: It's.)...it's doors opening or?

TM: It's a case of doors...(MC: Positions opening...)...yeah, that's what I'm waiting for...in theory, is...is a position hopefully to become available.

MC: Because...how many years' experience have you got?

TM: Now I've got...it's...seven and a half years...

MC: Okay, so in some ways, you're almost ready to jump in.

TM: Yeah, that's...it's also...it's very easy to say *yeah, I can do that* when you're...it's like...you're *marking a trader* in what...what I do...seeing what they do and if they've done it correctly. It's very easy to sit on that side of the fence so...the *jump* the other side will be...the decisions are yours and suddenly it's not as easy...

MC: Yeah, yeah...it's on your shoulders...in that regard...

TM: Yeah, yeah! As long as you're aware of that...

MC: Okay...and is it a case...is it similar with, I suppose, stocks? Are you looking at *screens*? Can you describe a little bit about what that?

TM: Yeah...do I look at screens? The prices and what have you. It's not as fast-paced as a banker would be. (MC: Sure.) Decisions have to be made within seconds. Who's doing we have something like a...you get stuff out of the refinery...you have *crackers* which could go on – be cracked...steam-crack...in certain types of products that produce plastics, so you have to make decisions based on, y'know, what kind of...what's *in* the specific products, y'know, what chemical structure is...so what...on the other side, what it would produce...how the yield...

MC: What sort of products?

TM: Yeah. So there...there's always that price...people are looking at prices and you do some *entrepreneurial* or trading so I have to mark that and make sure that's all within the DOA. That's...that's more interesting because that's...you're in effect taken *educated reasons from mathematics* like...a trade, but yeah, we do some of that as well but the main objective is to feed the...the crackers.

MC: Okay. So can I just ask you at the moment, what...y'know, what a typical day for you is like?

TM: Yeah, yeah...I *wish* there were. It's good that you come in...of the morning, from the previous day, that you'll have...

MC: What time do you have to be in?

TM: We're quite...it's nine o'clock...it's not *unearthly* hours...the trade that's been done from the previous day – you're always *looking back* on what was done yesterday, and what your position was at...at the close...that's where you have to stay in...arrange...so like...you could have 10...10 kilo tonnes...that's 10,000 tonnes...you have different traders have different DOAs so they have to stay within that range. You check everything is done...from the previous day and the prices that the trader has done is correct to what was done; that'll take up your morning doing that, then producing the position for the...the current day's trading.

MC: Okay, okay. So there's a *lag* in a way that's different from say, banking?

TM: Yeah...they have a *trade capture*...I have friends there and they do the same but they have a *loyal position*; but then you also have...like it's (MC: Trade capture?)...yeah, it's a cross between like, accountancy and trading analysis...yeah, we do that...once that's sent out, you have a lot of ad hoc things that will come up...people will want...traders will want to know information on historical data, make judgements here and now, would also book the daily P&L – get that out, and then the rest of the day is ad hoc or you're preparing for *KPIs* - *Key Performance Indicators* - for a monthly review. So you're always trying to stay one step ahead otherwise if...if you get behind, it's...y'know, suddenly you've got a *mountain on your shoulders*. You're always working to make sure you're ahead of things.

MC: Okay. Can I ask... like a little bit about this project too is like I suppose ideas and *perceptions*, so...what was your perception of maybe the type of job you're doing now *before* you maybe entered...did you have any perceptions?

TM: I didn't...I'll never forget (*laughs*)...one of my friends, when I said I got a job in an oil company, his perception was like *oh, yeah...blood money* or something like that...a kind of a negative...idea of like *oil barons* or something. It's...it's not like that even with the traders...there are negative...in the Press interpretations of what they do. They're normal guys, y'know, men and women, normal lives; they're not, y'know, living extravagant - y'know...they are reasonable, *down-to-earth* people, so I...that's the same with *banking*, y'know? People have that perception...it's only because so few do these things that require...get the Press imagination - tabloids run away with the stories. It's...to a degree it's unfair on everyone else...that suffers as a result but...

MC: And can I ask you in terms of...I suppose...public do is that we see maybe a...a *disconnect* between the function of the market - I've said to you before - it's a very broad term...do you think there's a disconnect between in some ways what the market does and the real economy or 'slash' - society?

TM: Yeah...because if you look at the economy...*the market is all inclusive* throughout the world so any market is...has something to sell and someone wants to buy it so that's, essentially a market...I can speak for oil when, y'know, there's things that affect people can build what's called...when prices are higher somewhere else and *arbs* go over there...

MC: What are they?

TM: An arb...if there's an arb in the prices then you can build a ship and send it to the other side of the world...I don't think there is a disconnect to a...because the economy...the economy, people look...they're looking at their own country, their own...whereas the market is all encompassing (MC: It's *global*)...yeah, someone...someone could be doing well, the country's doing well and they're buying stuff...so you have to look at it on a large scale...

MC: Okay...can I...just regarding that, so in terms of people's perceptions now, when you tell and friends.

TM: (*laughs*) Well, my friends...obviously my friends know me but to...complete strangers - I just say *I work in Finance* because if you say in Oil they kind of think, y'know, you're some sort of multimillionaire which is completely not the case...

MC: Can I ask you...how important is *pressure*...what is the role of pressure...is there pressure?

TM: Yeah, there is...if things need to be done...y'know, you've got to do them and do them within the *timescale*, like...I like that...I'd hate to go to work where you'd just sit in a job and hate what you do...you can do it later and it means nothing. I like to enjoy the pressure of having demands put on you...that's the issue...if you don't thrive on that...

MC: And I'm aware, I'm talking about another field but like say, I met a man yesterday – he's works in banking, and y'know...something like 1,200 people applied for 10 positions...so things have become really tight in terms of employment possibilities. Is it the same sort of pressure in your field, in terms of competition at the moment?

TM: I'm...quite lucky, in fact. I wouldn't say I'm...I don't see that...there are people – a lot of people - looking to get into it...with oil, especially in the *risk-functioning*, they...a lot of the positions demand experience and it's kind of a *niche market*, where that...there are a lot of people that would need...a lot of people have moved to, for instance, *Geneva* with a lot of the oil companies, so what's left in London...I do get approached. It's very flattering that but...I wouldn't move just yet.

MC: Okay, to Geneva...

TM: Yeah because if you go...if you go back into...I'd be moving into like an office again so I'd be starting... No-one's going to...into the trading position – why would they do it for another company when...if they've got someone *in-house*? That...that's they way...

MC: So the *mentorship* part of it continues in that regard?

TM: Yeah...yeah.

MC: Okay...so it's better in some ways to stay where you are...

TM: Yeah, even though you could get paid more, y'know, the jump more invariably...if you jump...move to another company, you get a great increase. You could do that but if you look two...three...five...10 years in advance, that short-term gain could be...if you'd stayed where you were...you'd miss the longer term benefits.

MC: Can I ask then in terms of just...you just said earlier Tomas, but just...the role of technology, in terms of keeping up-to-date on whatever...do you use technology a lot yourself in terms of being aware of what's going on?

TM: Yeah, I regularly...there's one of the things I do really...interested in...is the *geopolitics of oil*, especially the prices...something in Syria or y'know, Iran, anywhere in the world that has an influence or has an impact on prices. So, yeah...I read up...it's good to...

MC: So is that a daily thing in terms of actually because you need to know the situation?

TM: Yeah...you might not need to 100 per cent know but it's good to know so that if someone else is talking about – you have...an insight into it – you're not just, y'know, you're not taking an uneducated viewpoint, so I do that in my own time, read and...

MC: And that feeds back into possible decisions about, well, I presume also for traders, in terms of they also have to have an awareness (TM: Yeah.)...it's part of that (TM: *The bigger picture*...) knowledge (TM: Yeah.)...okay and can I ask, in terms

of...how do you see...cos one of the reasons I guess I'm in London, is that, y'know...and again I'm aware, just think about banking, is the role of technology...when we first met I spoke to you a little bit about that – things like algorithms – generic algorithms – how do you see the *future role* of technology in what you do, in your view...can you sense that?

TM: Yeah, it's...it's a difficult one because oil invariably seems to be very much...it's a... *not people*...persons...that sounds like a bit of a cliché but the-the role of *human-human* content is important, you can't really make those judgements and as they're needed and evaluate things whereas, y'know, the algorithms and y'know, the *black-box trading systems* work very well for banks and...investment companies. I don't think...for the foreseeable future anyway that the *back-up* is something...that the back-up is...or the risk systems and all that, that goes with it, you still need the trader there to make those decisions on what your...your business...

MC: And can I ask, is there a difference in terms of, I suppose, in terms of energy, there always seems to be a demand for energy and actually what we've really witnessed, in terms of the financial sector, in terms of the so-called crisis...evolutionary but in terms of actually your area, how is that impacted since say 2007/2008...you've been working through that period...

TM: Yeah...well, my former company was...they have like...petrol stations and that so, people were still filling up their cars and that's something that people will always need to do, so...not to a huge degree...but it...not on that side anyway but the finance end of, y'know and stuff like that, that affects things and from where I am now...I wasn't there during the crisis but because of the great plastics, you can see it coming off there before you see it no-one else will...consumers aren't going to be buying...your TV...new TVs and whatever that plastics require...car components as well so, everything eases off there and then kind of ripples back into...into the oil.

MC: So it's not completely?

TM: Oh, no, no, no.

MC: Okay and...can I ask you in terms of...I met a man yesterday; he talked about *short-termism and short memory*...in terms of your area, is it a similar sort of...are there elements of of ideas of short-termism? How important is the *now* or even just the short-term, in terms of even traders or...is there different demands?

TM: Yeah, it's not about making a quick buck...because we have constraints on you having to feed our crackers, you have to always be looking at a month or two...three months ahead, and the *trading manager* will come down on the traders, y'know, making poor decisions that affect...y'know, we'd be trying to have a cracker shut down - that would cost us money so it always needs to be done; there's no...there isn't that sort of short-term view to make a quick buck that it doesn't fly...

MC: Okay, so the idea is more medium-...long-term?

TM: Yeah, yeah.

MC: And can I ask you, just this last thing? Cos you've mentioned this word *cracker* and I should have asked you...

TM: *Steam-cracker*...yeah. So you take in products like *butane* or *naphtha* which are...*naphtha* is...when you distil crude oil you get different...like, the common ones are gasoline and diesel that everyone knows about then you have *naphtha* which is another density to gasoline and go into blending...blend it into gasoline which is what people get in their tanks – or it could be cracked – a steam cracker – and broken down into...y'know...carbon chains that then go and split the plastics...you have to...

MC: Yeah. Can I ask then, it's obviously working in an area that's like...like a non-Euro resource in terms of sort of...it's degrees...I don't mean in the *finiteness* of that but how maybe it would be in our lifetimes...but is that something that also figures...in thinking in the medium-, long-term?

TM: It might be *above my pay-grade* but...yeah...I think...oil, for instance, is a finite resource and...I read a book called *The End of Oil* which I think by now they...they said we'd have reached the peak so...we've gone over the peak now and you're always declining but that was 2002 I think and we're still not...there's...the way technology is advancing you're always...oil resources that were too expensive to mine or look into are not now where the price is...the technology is for the foreseeable future...I...it won't be in our lifetim and there are other petro-carbons that...such as natural gas that...shale gas that's an unpopular one but (MC: *Fracking?*)...yeah...they're always...*where there's a will, there's a way*...it's just human nature that...there's that willingness to...

MC: Can I ask you, personally though, is there some things that, y'know, those relationships that were...drive what you do but then I suppose there's elements where you can see *well, right this is then*...we've had this but then is there sort of...are there that you know, for instance, that have this sort of environmental impact, say for example, y'know, I lived in *Alberta* at the time and it wasn't...

TM: Was it the *sands oil*?

MC: The oil sands...it wasn't...it wasn't financially viable...viable to do this...now obviously it is. But sorta the impact of those...is that something...I mean on a very personal level...that's sort of...or you have to kind of go *well, no, this is what I do*...just wondering, I'm just kinda interested?

TM: There is...there is kind of a *disconnect* a bit because I grew up in the West of Ireland, which is green and...and there's always that...I can remember going as a kid going to my aunt and uncle's farm in *Leitrim* and y'know, everything's green and it's just like...really, there's that natural side...natural earth there. I've always been interested in...those things, you look at them and I do feel, that is...it's not ideal...but then, I'm *not* making that decision.

MC: You know in *Leitrim* there's talk about fracking?

TM: Oh, really...oh, right (*laughs*).

MC: Actually talk about the government actually giving a license to frack In Leitrim.

TM: Oh, wow...I didn't know that...but things like that I think, y'know...I've not had any influence on that. It's the demand of the public – the governments wouldn't be giving licenses to do that...people wouldn't want the licenses if there wasn't a demand in the first place. If people really wanted to stop that – people are very quick to say *I don't like that...I'd still use the oil that comes from there*. So unless people on a...on a complete social level say *no, we don't want that, we'll stop that* – that's only when you'll stop it and people are not willing to do that...they're not willing to give up their *lifestyles*. So, it's just...it's a difficult one...I'm probably not best-placed to...to make a quote on that but...

MC: No, it was just your personal thoughts. I appreciate your forthrightness.

TM: You can look at something like this (*landscaped park in Canary Wharf*). Y'know, this is okay...this is green...but like, Canada's got some of the most beautiful scenery there is, so...yeah, it's...it's horrific to see but...will there be a recovery? I...have the government got things in place? It's not a nice thing to see.

MC: Cos sometimes it's like you're caught...I mean, at the moment that's driving a lot of the Canadian economy obviously (TM: Yeah.)...even though I did a long-term project in East Germany in a place called Lusatia and the mine is obviously one of the major employers in the region...they know it's finite...but actually at the moment it's *the* major employer so they're kind of...the complexities of that relationship...that are...what are the options...

TM: *United Arab Emirates*...they're...they're structuring themselves like Dubai or Abu Dhabi as holiday destinations because they know that...the oil will be finite. They're trying to create a *capital market area* for...for the region there so that when it does run out, if they run out then they have something else...yeah...

MC: Okay...in terms of your own *future*...how do you see that for yourself, personally?

TM: I'm not really...I'm willing to...I'm always open...to things that...y'know, if, one day it comes where I'd like to live abroad or something maybe from having moved from Ireland to here I'm more likely...more willing to go somewhere else and try something new but it would, I'd imagine, remain in the energy sector.

MC: Yeah, staying in the sector.

TM: Yeah, yeah...I hope so.

MC: Tomas, thanks very much.

TM: No problem.