

# Analysing Business Risk Amidst Gas Price Volatility: A CVaR Perspectives

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## Abstract

This study examines the impact of the Russia-Ukraine conflict on energy risk within the Iberian energy hub. Fluctuations in European gas prices due to conflict-related supply constraints prompt an examination of how geopolitical events affect risk metrics within energy portfolios. Using Conditional Value at Risk (CVaR) methodologies, the research examines the company's exposure by assuming the role of an energy intermediary involved in both import and domestic supply. The analysis provides nuanced insights into the dynamics of CVaR across different strategies and maturities, highlighting their vulnerability to market volatility. Patterns of significant CVaR spikes and dips highlight the acute sensitivity of strategies to market movements. The consistent occurrence of peaks in March 2022 and September 2022 suggests potential correlations with broader market trends or external factors affecting various energy prices over this period.

**Keywords:** Energy supply contracts, Geopolitical events, Gas price volatility, Conditional Value at Risk