

The trader in the face of crises: 2020 and 2022

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Two recent crises have put the trader's craft to the test. The pandemic of 2020 caused a collapse in energy demand, briefly negative oil prices on certain American markets, massive logistical disruption and the insolvency of traders, some of which revealed frauds.¹ Traders with storage capacity at their disposal made considerable profits by buying oil at low prices to resell it later, an illustration of temporal arbitrage.

The energy crisis of 2022, triggered by the war in Ukraine and the sanctions, caused a surge in the prices of gas, oil and cereals, the interruption of flows and massive margin calls on the futures markets. The large traders made record profits, which the previous part has mentioned, while having to reorganise their Russia-related activities.²

These crises confirmed that the trader's craft thrives on volatility, which widens the differentials, and that it requires liquidity reserves in order to survive margin calls and interruptions of financing. They also demonstrated the importance of the risk-management, compliance and logistics functions, whose failure brought down several houses. The Geneva trader of the twenty-first century is as much a risk manager as a merchant.

Key points. The crises of 2020 and 2022 brought traders considerable profits, thanks to the differentials they created, and caused insolvencies, frauds and massive margin calls. They confirmed that the craft requires liquidity reserves, rigorous risk management and flawless compliance.

1 Notes

1. Settlement of the May 2020 WTI contract at –37.63 dollars a barrel on 20 April 2020 (Commodity Futures Trading Commission, interim report of 23 November 2020, [cftc.gov](https://www.cftc.gov)); on the insolvencies of traders in 2020, see Part H, Chapter II. ↩

The trader in the face of crises: 2020 and 2022

2. “Trade finance : négoce à Genève, gare à l’hémorragie” [Trade finance: Geneva trading, beware the haemorrhage], Bilan, 3 March 2025, citing the McKinsey study according to which the sector’s net profit has doubled since Covid, to 104 billion dollars in 2022. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/geneva-the-trader-in-the-face-of-crises-2020-and-2022