

# **Foreign Currency Risk Management and Global Finance**

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## **Introduction**

Understanding the nuances of foreign exchange market and foreign exchange risk is very significant for corporations, commercial banks, investment banks, travel agencies, high net worth individuals and for anyone who deals with foreign exchange market. World over exchange rate systems have been liberalized. Liberalization of exchange rate systems meant, the value of currencies would be determined by the forces of demand and supply. This in turn meant more volatility in foreign exchange market. Companies that have significant exposure to foreign exchange risk must be able to assess the risk and manage the risk. The wholesale segment of foreign exchange market consisting of commercial banks, investment banks, corporations, high net worth individuals have to understand the intricacies of the foreign exchange market. The retail segment consisting of tourists and other individuals also have to understand the foreign exchange market and the risks associated with dealing in foreign currencies. The two day MDP intends to give the participants a deep understanding of the way foreign currency risk can be managed and other finer points of global finance.

## **Objectives**

1. To understand the foreign exchange market
2. To understand risk exposures in foreign exchange market
3. To understand risk minimizing strategies in exports and imports
4. To understand how macroeconomic variables such as, inflation, interest rates, affect the exchange rates.
5. To understand the significance of arbitrage, hedging in the foreign exchange market.
6. To understand currency derivatives

## **Target Group**

Corporations having foreign exchange dealings, commercial and investment banks, high net worth individuals, travel companies, tourists frequently travelling to foreign countries and anyone who is inquisitive to understand the foreign exchange market and the risk associated with foreign exchange market.