

How to hedge Commodity Price Risk?

NCDEX IPFT & IIMU Introduces A Two-Day on Campus Workshop

Date:

26 -27 Nov 2022

Day 1

26 Nov 2022

Session 1: Introduction to Risk, Uncertainty & Hedging

Decision Making Under Uncertainty; Implications of Aversion to Risk, Ambiguity and Loss; Implications of Behavioural Biases; Dealing with Uncertainty; Dynamic Monitoring of decisions

Session 2: Risk Management Process, Hedge Products

Regulation and the Risk Management Process (Risk Identification & Measurement, Risk Mitigation Strategy, Board Approval, Implementation of Risk Management Strategy -role of Front Desk/ Middle Office/ Back Office, Accounting for Derivatives/ Risk Management); Hedging Products (Forwards, Futures, Options, Swaps, Onshore/ Offshore, Physical/ Cash)

Session 3: Hedging Basics

Decision regarding hedge volume, hedge vehicle and hedge tenure, Correlation and Basis – Location and Grade Variation, Hedge Ratio

Session 4: Agri Commodities: Mapping Risks to Derivatives

Agri Commodities: Risks, and Mitigation Using Derivatives

Day 2

27 Nov 2022

Session 5: Implementation Considerations in the Indian Markets

Margins, Liquidity, Transaction Costs

Session 6: Experience of Hedging Agri Commodity Price Risks

Session 7: Panel Discussion

Who Can Enroll: CFOs/ Purchase Heads/ Risk Heads/ Decision Makers

Medium of instruction: English

This is an indicative program module.

The final module will be shared closer to commencement of the program.

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