




# Managing Risk In Foreign Exchange Rate Volatility: Hedging Strategies That Create Value

 27th - 28th  
June 2024

 10.00 am


 Virtual

Emmaneul Okechi

 +234 805 222 6751

 eokechi@fitc-ng.com

Ekundayo Adedoyin

 +234 708 551 3037

 ekundayo.adedoyin@lagoschamber.com

## Q BACKGROUND

In today's interconnected and fast-paced business environment, organizations grapple with effectively managing foreign exchange risks. The dynamic nature of global markets and the rapid expansion of cross-border financial transactions introduce volatility, leaving organizations vulnerable to fluctuations in currency values that can profoundly impact their financial performance. For many businesses, the impact of exchange rate volatility can be significant, especially when they trade globally or have operations and investments in other countries. Managing risks associated with exchange rate fluctuations is important to these businesses for reducing their vulnerabilities from the movements as it can adversely affect profit margins and asset value.

The management of foreign exchange risk transcends mere compliance or operational necessity; it represents a strategic imperative for organizations striving to thrive amidst today's turbulent conditions. By taking proactive measures to address this risk through implementing appropriate hedging strategies and risk management practices, businesses can effectively manage currency risk, protect against adverse exchange rate movements, bolster their resilience, and create value for stakeholders in an interconnected and digitally driven world.

Therefore, it is essential to evaluate hedging strategies in the context of the organization's specific risk profile, operational requirements, and strategic objectives to optimize risk-adjusted returns and enhance long-term value creation. And it is against this background that FITC in partnership with LCCI is organizing a 2-day programme titled Measuring and Managing Risks in Foreign Exchange Rate Volatility – Hedging Strategies that create Value. This course is designed to equip participants across sectors with the requisite knowledge, skills, and insights to navigate the challenges of exchange rate fluctuations successfully and secure value for their businesses amidst uncertainty.

## TARGET AUDIENCE

Professionals who have functions of treasury, global trade & markets, financial control, market risk, operational risk, liquidity risk, data analysis, investment analysis, portfolio management, audit and compliance, and internal control. Business owners, SMEs, Entrepreneurs, manufacturers, academia, and individuals who want to excel and thrive in these challenging times.

## LEARNING OUTCOMES

At the end of this course, participants will be able to:

- Identify structured approaches to measure and manage foreign exchange risks.
- Develop the skills and knowledge necessary to design and implement effective risk management strategies that safeguard organizational value amidst turbulent market conditions.
- Foster adaptability and innovation within their organizations, enabling proactive response to evolving foreign exchange challenges.

## LEARNING OBJECTIVES

- Develop hedging techniques to mitigate foreign exchange risks.
- Explore emerging technologies and trends in risk management to stay ahead of evolving threats.
- Assess the impact of regulatory requirements and compliance obligations on risk management practices.
- Evaluate the effectiveness of risk management strategies and adapt them to changing organizational needs and market dynamics.



**Understanding Foreign Exchange Market Dynamics**

- The Foreign Exchange Market Universe
- Key Macroeconomic indicators of Foreign Exchange Rate
- Sources of foreign exchange risks
- Factors Influencing Foreign Exchange Rates and its fluctuations.
- Integration of Foreign Exchange Risk with Overall Risk Management
- Analysing how changes in currency values can impact profit margins and the financial performance of a business.
- Impacts of movements; rising and falling foreign and domestic exchange rates on businesses

**Strategic Risk Management: Designing Effective Strategies for Foreign Exchange**

- Risk Assessment and Scenario Planning; Sensitivity Analysis and Value at Risk (VaR)
- Developing hedging techniques to mitigate foreign exchange risks;
  - Forward Contracts and Option Contracts
  - Currency Swaps
  - Money Market Hedging
  - Natural and Dynamic Hedging
  - Netting and Matching
- Adapting risk management approaches to address evolving organizational needs and market dynamics

**Adaptability and Innovation: Proactive Response to Evolving Challenges in Managing Foreign Exchange Risks**

- Identifying emerging technologies and trends in risk management.
- Cultivating organizational adaptability and innovation to respond to changing foreign exchange landscapes.
- Building Organisational resilience in turbulent times.
- Cultural and Behavioural Considerations
- Ethical & Social Considerations
- Continuous Monitoring & Evaluation

**Regulatory Compliance and Risk Management**

- Regulatory and compliance developments in the foreign exchange market
- Understanding the impact of regulatory requirements on risk management practices.
- Ensuring compliance with relevant regulations while managing foreign exchange risks.

**Case Studies and Best Practices**

- Analyzing real-world case studies of successful risk management in turbulent times.
- Identifying best practices for integrating foreign exchange risk management into organizational processes.

**FACILITATORS**



**Mr Okechukwu Umeano**

HOD, Office of the Chief Economist, Securities Exchange Commission



**Mrs. Funmi Adepoku**

Managing Consultant, Pearl Mutual Consulting Ltd, Lagos

**FEES**

**Programme Fee #75,000.00**

**Payments can be made to the account detailed below:**

Bank:	<b>UBA</b>
Account Name	<b>Financial Institutions Training Centre</b>
Account Number	<b>1000733794</b>