Commodity

Commodity

Hedging Risk in Emerging Countries

In emerging markets, commodities companies face a higher currency risk and are subjected to foreign exchange rate fluctuations that threaten their margins. Hedging these risks involves using complex financial instruments and forward contracts to limit downside exposure, while still taking advantage of favourable rate movements.

Providing You Assurance in Risk Management

CS Lucas helps large, commodity-dealing enterprises track and monitor risk exposure. The system is fully capable of handling offshore transactions in countries with capital control. As you handle the value chain upstream to downstream, CS Lucas can help you trim your finances across your integrated production to marketing activity.

Our clients in commodity businesses have found the following modules to be useful:

Instruments

Purpose



Cash and liquidity management



Settling trade flows and foreign exchange risk management



Foreign Exchange risk management



Short term company funding



Working capital and medium-term financing



Interest and foreign exchange risk management on borrowings



Working capital management



Project risk management



Long term debt for capital projects