

Commodity

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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 Forecast

Cash and liquidity management



Forex & NDF

Settling trade flows and foreign exchange risk management



Currency Option

Foreign Exchange risk management



Call & Sweep

Short term company funding



Term Loan

Working capital and medium-term financing



Interest Rate Swap

Interest and foreign exchange risk management on borrowings



Money Market

Working capital management



Contingent Liability

Project risk management



Bond Issue

Long term debt for capital projects