JUPITER PRIME
Consulting • Training • Advisory
جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Advanced Foreign Exchange Exposure Management Training Course

25 April – 6 May 2027
Online

Advanced Foreign Exchange Exposure Management Training Course

Ref: 297_9869 **Date:** 25 April – 6 May 2027 **Location:** Online **Fees:** 3200 GBP

Foreign Exchange Exposure Management at advanced level is a 2-week training course for corporate treasurers, finance managers and treasury risk analysts who measure currency exposure and decide how much of it to hedge, and it ends with a Board-Ready FX Hedging Policy. Volatile exchange rates, longer supply chains and multi-currency contracts now move margins and reported earnings more than many operating decisions do. Jupiter Prime Training runs this course on foreign exchange exposure management for finance leaders.

Why Foreign Exchange Exposure Management Matters Now

Three groups shape currency decisions today. Boards and audit committees want to know how far earnings could swing when exchange rates move, and why the hedge ratio chosen is appropriate. Banks and counterparties price derivatives tightly and expect clear documentation and credit support. Auditors scrutinise whether hedges qualify for hedge accounting and whether results are explained clearly. Firms that map their exposures and hedge to a written policy protect margins and avoid surprises in reported profit; those that hedge ad hoc either overpay for protection or are caught unprotected. The course applies the ISO 31000 risk management guidelines to currency exposure and treasury decision-making.

Who Gains Most from Foreign Exchange Exposure Management

- Treasury heads who set hedging strategy and execute derivatives with banks
- Finance managers who forecast foreign currency cash flows and report results to management
- Treasury risk analysts who measure exposure, run sensitivities and monitor limits
- Financial controllers who apply hedge accounting and explain earnings volatility
- Procurement and sales finance leads who price cross-border contracts in other currencies

A treasury, controllership and commercial finance trio from one company gains most, because exposure forecasts, hedge execution and accounting treatment are then agreed in one room.

Foreign Exchange Exposure Management Capabilities

Participants move from reacting to rate moves to running a documented process that identifies, quantifies, hedges and reports currency exposure across the business.

- Assess transaction, translation and economic exposure across subsidiaries and contracts — group treasurer and chief financial officer
- Calculate exposure with sensitivity analysis and cash flow at risk — board risk discussions
- Design a hedging policy with hedge ratios, tenors and approved instruments — audit committee approval
- Weigh forwards, swaps and options for cost, flexibility and accounting effect — treasury execution decisions
- Apply hedge accounting documentation and effectiveness tests — external auditors and controllers
- Communicate currency results and hedge performance in treasury reports — executive committee and lenders

Key Foreign Exchange Exposure Management Terms

- Transaction exposure — the risk that rate changes alter the value of contracted foreign currency receipts or payments before settlement.
- Translation exposure — the effect of rate changes on consolidated accounts when foreign subsidiaries' results are converted to the reporting currency.
- Economic exposure — the long-term effect of rate movements on competitiveness, pricing power and future cash flows.
- Forward contract — an agreement to exchange currencies at a fixed rate on a future date.
- Hedge ratio — the proportion of a forecast exposure covered by hedging instruments.
- Cash flow at risk — the shortfall in expected cash flow that rate movements could cause at a given confidence level.

Foreign Exchange Exposure Management Day by Day

Day 1: Currency Markets and Business Impact

- Spot And Forward Market Mechanics — Understanding How Corporate Rates Are Quoted
- Interest Rate Parity — Explaining Forward Points And Carry Cost
- Pegged And Floating Regimes — Judging Exposure Under Each Arrangement
- Importer And Contractor Case Contrast — How Currency Moves Hit Margins
- ISO 31000 Applied To Treasury — Framing Currency Exposure Decisions

Day 2: Identifying Transaction Exposure

- Foreign Currency Cash Flow Forecasting — Building Reliable Exposure Data
- Contract Currency Clauses — Spotting Hidden Exposures In Agreements
- Netting Across Subsidiaries — Reducing Gross Positions Before Hedging
- Exposure Confidence Tiers — Committed, Highly Probable And Forecast Flows
- Exposure Register Design — Recording Positions By Currency And Tenor

Day 3: Translation and Economic Exposure

- Consolidation Effects — Measuring Impact On Equity And Reported Profit
- Net Investment Positions — Deciding Whether To Hedge Foreign Subsidiaries
- Economic Exposure Mapping — Competitors' Cost Bases And Price Elasticity
- Natural Hedging Through Sourcing And Pricing — Operational Offsets
- Airline And Retail Examples — Long-Term Currency Competitiveness

Day 4: Measuring Currency Risk

- Sensitivity Tables — Profit And Cash Impact Per Rate Move
- Historical And Implied Volatility — Choosing Inputs For Measurement
- Cash Flow At Risk — Estimating Downside At Stated Confidence
- Scenario Analysis — Devaluation, Depeg And Commodity Shock Cases
- Correlation Between Currency Pairs — Avoiding Double-Counted Risk

Day 5: Hedging Strategy and Policy

- Hedging Objectives — Protecting Margin, Cash Or Reported Earnings
- Hedge Ratio Ladders — Layering Cover By Forecast Horizon
- Approved Instruments And Counterparty Limits — Controlling Credit Exposure
- Delegated Authorities — Who Can Execute And Approve Trades
- Policy Exceptions And Breach Reporting — Escalating Deviations

Day 6: Forwards and Swaps

- Outright Forwards — Pricing, Settlement And Rollover Choices
- Non-Deliverable Forwards — Hedging Restricted Currencies
- FX Swaps — Managing Liquidity And Rolling Positions
- Cross-Currency Swaps — Converting Foreign Borrowing Into Functional Currency
- Credit Support Annexes — Margin Calls And Collateral Planning

Day 7: Currency Options

- Vanilla Calls And Puts — Buying Protection With Upside Retained
- Option Pricing Drivers — Volatility, Time And Strike Selection
- Collars And Participating Forwards — Reducing Premium Cost
- Structured Product Pitfalls — Recognising Leverage And Knock-Out Risk
- Instrument Selection Matrix — Matching Tool To Exposure Certainty

Day 8: Hedge Accounting Basics

- Hedge Relationship Types — Cash Flow, Fair Value And Net Investment
- Hedge Documentation — Objectives, Designation And Risk Component
- Effectiveness Assessment — Economic Relationship And Ineffectiveness Sources
- Accounting Entries — Reserves, Recycling And Profit Impact
- Audit Readiness — Evidence Files For Year-End Review

Day 9: Treasury Reporting and Controls

- Currency Exposure Dashboard — Positions, Cover Levels And Limits
- Hedge Performance Reporting — Comparing Achieved And Budget Rates
- Mark-To-Market Valuation — Independent Price Verification
- Segregation Of Duties In Treasury — Front, Middle And Back Office
- Treasury Management System Requirements — Automating Capture And Confirmation

Day 10: Practising the Board-Ready FX Hedging Policy

- Applying Exposure Mapping — Profiling A Case Group's Currency Flows
- Applying Cash Flow At Risk — Setting Tolerance For Earnings Swing
- Applying Instrument Selection — Building A Hedge Programme For The Year
- Audit Committee Simulation — Defending Hedge Ratios And Costs
- Board-Ready FX Hedging Policy — Objectives, Ratios, Instruments And Reporting

Applying Foreign Exchange Exposure Management After the Course

- Build an exposure register for the next four quarters by currency and confidence tier, then compare it with current hedge cover.
- Run a cash flow at risk estimate on the largest currency pair and present a proposed hedge ratio ladder to the chief financial officer.

Foreign Exchange Exposure Management Questions FAQ

What is foreign exchange exposure management and why does it matter now?

Foreign exchange exposure management is the process of identifying, measuring, hedging and reporting how currency movements affect cash flows and earnings. It matters now because exchange rate volatility and multi-currency supply chains can erase margins quickly.

Which roles gain most from foreign exchange exposure management training?

Corporate treasurers, finance managers and treasury risk analysts gain most. Controllers who apply hedge accounting and commercial finance leads who price cross-border contracts also benefit from a common exposure language.

How does foreign exchange exposure management differ from a treasury funding course?

Foreign exchange exposure management concentrates on currency exposure types, measurement, hedging policy and hedge accounting. A treasury funding course covers wider topics such as debt raising, capital structure and liquidity, with currency hedging as only one element.

What do you bring back from foreign exchange exposure management training?

You bring back a hedging policy ready for board review, with exposure definitions, hedge ratios, approved instruments and reporting formats. You also return with an exposure register template and sensitivity model.

Foreign Exchange Exposure Management: The Way Forward

The Board-Ready FX Hedging Policy first informs how much of next year's forecast currency exposure is hedged and with which instruments. The treasurer owns it, the audit committee approves it and controllers rely on it for hedge accounting. After its first use, revisit the economic exposure assumptions, as competitor sourcing shifts can change which currencies truly matter.