Corporate Treasury - FX and Commodity Risk Hedging Training Course

Professional Development Training Course Outline

Category	Risk Management	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

The modern Corporate Treasury function is transforming into a strategic Value Driver, moving beyond traditional cash management to actively mitigate market volatility. Global businesses face unprecedented exposure to Foreign Exchange (FX) and Commodity Price Risk, directly impacting profitability, financial statement stability, and capital budgeting decisions. Effective Financial Risk Management is now a core competency, necessitating a robust framework of policies, systems, and derivative strategies. This course delivers the essential, practical knowledge for treasury professionals to navigate these complex, turbulent markets, ensuring the preservation of margins and the stability of corporate earnings.

Corporate Treasury - FX and Commodity Risk Hedging Training Course focuses on best practices in Hedge Accounting and the practical application of Financial Derivatives including forwards, futures, swaps, and options for strategic risk reduction. Participants will master techniques like Value-at-Risk (VaR) for exposure quantification, implement Natural Hedging strategies, and leverage Treasury Technology (like TMS) for Automation and enhanced control. The goal is to equip finance leaders and treasury specialists with the expertise to design and execute a resilient, compliant, and cost-effective Risk Management Framework that aligns with corporate financial objectives in a volatile global economic landscape.

Programme Curriculum

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Course Duration

5 days

Course Objectives

1. Quantify and Measure FX and Commodity exposures using advanced techniques like Value-at-Risk (VaR) and sensitivity analysis.
2. Develop and document a robust Treasury Policy for FX and Commodity risk that aligns with Risk Appetite and corporate governance.
3. Evaluate the strategic trade-offs between various Hedging Instruments for optimal cost-effectiveness.
4. Master the mechanics of Plain Vanilla and Exotic FX Options strategies, including collars and zero-cost structures, to manage non-linear risk.
5. Implement Commodity Price Risk Management strategies across key asset classes to stabilize input costs.
6. Apply the principles of Natural Hedging and Exposure Netting to reduce reliance on external derivatives and lower transaction costs.
7. Understand and comply with global Hedge Accounting Standards to minimize earnings volatility.
8. Design and execute Cash Flow Forecasting models to accurately predict future FX and Commodity exposures.
9. Integrate Treasury Management Systems (TMS) for the Automation of deal capture, valuation, and compliance reporting.
10. Analyze the impact of Geopolitical Risk and Macroeconomic Volatility on currency and commodity markets.
11. Manage Counterparty Credit Risk associated with over-the-counter (OTC) derivative transactions and collateral requirements.
12. Formulate a Dynamic Hedging approach that adjusts exposure levels based on real-time market data and Market Volatility.
13. Benchmark treasury performance using key metrics like Hedge Effectiveness and Treasury KPIs.

Target Audience

1. Corporate Treasurers and Assistant Treasurers
2. CFOs and Senior Finance Executives
3. Risk Managers and Financial Analysts
4. Treasury Operations and Middle Office Personnel
5. Hedge Accountants and Financial Controllers
6. Internal Auditors focusing on Financial Controls

7. Supply Chain and Procurement Managers with Commodity Exposure
8. Relationship Managers and Consultants from Financial Institutions

Course Modules

Module 1: Foundations of Financial Risk Exposure

- Identification and Classification of Transaction, Translation, and Economic Exposures (FX).
- Understanding the sources of Commodity Price Volatility
- Defining and quantifying Risk Appetite and tolerance levels.
- Introduction to Value-at-Risk and other modern risk metrics.
- Case Study: Analyzing a multinational manufacturer's currency mismatch between raw material sourcing and end-market sales.

Module 2: The FX Risk Management Toolkit

- Mechanics of FX Forward Contracts and FX Swaps for linear hedging.
- Utilizing FX Options to protect against adverse moves while preserving upside.
- Implementing Currency Overlays and Dynamic Hedging strategies.
- Mastering Natural Hedging techniques.
- Case Study: A U.S. technology company hedges Euro sales revenue using a zero-cost collar to mitigate downside while limiting premium cost.

Module 3: Commodity Risk Hedging Instruments

- Detailed review of commodity Futures and Exchange-Traded Options.
- Using Over-the-Counter (OTC) derivatives.
- Structuring Fixed-for-Floating commodity swaps for stable input costs.
- Managing the Basis Risk between the hedged commodity and the financial instrument.
- Case Study: A global airline uses a mix of crude oil futures and jet fuel swaps to manage significant fuel cost volatility.

Module 4: Treasury Policy and Governance

- Developing the formal Treasury Risk Management Policy and procedural guidelines.
- Establishing Exposure Limits, Delegation of Authority (DoA), and reporting hierarchies.
- Best practices for Front, Middle, and Back Office segregation of duties and controls.
- Implementing a robust Hedge Effectiveness Testing program.
- Case Study: Reviewing a global energy firm's policy post a major hedging loss, focusing on improved governance and control structures.

Module 5: Regulatory Compliance and Hedge Accounting

- In-depth coverage of IFRS 9 requirements for Hedge Accounting.
- Distinguishing between Fair Value Hedges and Cash Flow Hedges.
- Documentation requirements and the crucial process of Hedge Designation.
- Managing the impact of Hedge Ineffectiveness on the Profit & Loss statement.
- Case Study: A European food processor designates a 12-month forward contract on soft commodities as a cash flow hedge for future purchases, demonstrating the documentation process.

Module 6: Exposure Measurement and Technology

- Designing an accurate and timely Cash Flow Forecasting process for exposure identification.
- Leveraging Treasury Management Systems (TMS) for automated exposure aggregation and derivative valuation.
- Techniques for measuring Economic Exposure and its impact on long-term value.
- Implementing Straight-Through Processing (STP) for derivative trades.
- Case Study: A pharmaceutical company adopts a new TMS to automate its 18-month rolling cash flow forecast, drastically reducing manual errors in exposure calculation.

Module 7: Counterparty and Operational Risk

- Assessment and mitigation of Counterparty Credit Risk in OTC derivatives
- Understanding and managing Collateral Management and Margin Calls.
- Identifying and controlling Operational Risks in the treasury dealing process.
- Regulatory implications like EMIR and Dodd-Frank for derivative trading.
- Case Study: Analyzing the counterparty exposure of a corporate treasury during a financial crisis and the subsequent increase in collateral requirements.

Module 8: Advanced Hedging Strategy and Future Trends

- Structuring Exotic Derivatives and their risk/reward profile.
- Integration of Sustainability and ESG factors into treasury risk decisions.
- Exploring the role of AI/Machine Learning in predictive risk modeling and algorithmic hedging.
- Benchmarking Treasury KPIs against industry best practices.
- Case Study: A major mining company explores the use of dynamic algorithmic hedging to optimize its base metal commodity exposures in a highly volatile market.

Training Methodology

This course employs a participatory and hands-on approach to ensure practical learning, including:

- Interactive lectures and presentations.
- Group discussions and brainstorming sessions.
- Hands-on exercises using real-world datasets.
- Role-playing and scenario-based simulations.
- Analysis of case studies to bridge theory and practice.
- Peer-to-peer learning and networking.
- Expert-led Q&A sessions.
- Continuous feedback and personalized guidance.

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.com or call +254769199797

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to FINESKILL TRAINING CENTER account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
07 Sep 2026	11 Sep 2026	Physical	$1,500
14 Sep 2026	18 Sep 2026	Physical	$1,500
21 Sep 2026	25 Sep 2026	Physical	$1,500
28 Sep 2026	02 Oct 2026	Physical	$1,500
05 Oct 2026	09 Oct 2026	Physical	$1,500
12 Oct 2026	16 Oct 2026	Physical	$1,500
19 Oct 2026	23 Oct 2026	Physical	$1,500
26 Oct 2026	30 Oct 2026	Physical	$1,500

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