PLEASE NOTE

This hedging is not what Hedge Funds or Asset managers do where they protect the value of their stock portfolios. I am looking for the hedging corporations or other businesses, like farmers, do to transfer unwanted risk from their business to the part of the market that wants it.

Step 3 - Hedger Mark to Market

Submit for the corporation Apple :

a. the exposure they have, and what research or rationale led you to that conclusion (a paragraph NO MORE).
b. Create a mark-to-market schedule for the past 10 periods (days is fine).

This link is for step-by-step guide to 3 & 4 -
Here's a link to "Steps 3 & 4 Video.mov" in my Dropbox:
https://www.dropbox.com/s/804fmnr02rt5lh5/Steps%203%20%26%204%20Video%20Feb20.mov?dl=0

**Wine importer has a Euro 1MM payable in one year for wine**

| | Underlying Exposre | | | Forward Hedge Executed | | Net MTM |
|---|---|---|---|---|---|---|
| | Short Euros | MTM of Payable | 1 Year Forward | Bought Euros | MTM of Forward | |
| 2/20/2019 | 1,000,000 | $ - | 1.1710 | 1,000,000 | $ - | $ - |
| 2/21/2019 | | $ (9,000) | 1.1800 | | $ 9,000 | $ - |
| 2/22/2019 | | $ 21,000 | 1.1500 | | $ (21,000) | $ - |
| 2/23/2019 | | $ (529,000) | 1.7000 | | $ 529,000 | $ - |
| 2/24/2019 | | | | | | |
| 2/25/2019 | | | | | | |
| 2/26/2019 | | | | | | |
| 2/27/2019 | | | | | | |

Step 4- SPECULATING

a. Submit the speculative position you intend to take and why. A couple of sentences.
b. Create a mark-to-market schedule for the past 10 periods (days is fine).
c. Generate a graph of the profit or loss from this position

**Go long OCT CME Copper 1 contract which is 25,000 pounds**

**Speculative position**

| | Long 1 Contract | Price/LBS | MTM of Position | Initial Margin | Maintanance | Variation |
|---|---|---|---|---|---|---|
| 2/20/2019 | 25,000 | 2.9295 | $ - | $ 14,648 | $ 2,700 | |
| 2/21/2019 | | 3.0100 | $ 2,012 | | | |
| 2/22/2019 | | 3.2000 | $ 6,763 | | | |
| 2/23/2019 | | 2.8000 | $ (3,238) | | | |
| 2/24/2019 | | | | | | |
| 2/25/2019 | | | | | | |
| 2/26/2019 | | | | | | |
| 2/27/2019 | | | | | | |