

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 :

- the exposure they have, and what research or rationale led you to that conclusion (a paragraph NO MORE).
- 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		1 Year Forward	Forward Hedge Executed		Net MTM
	Short Euros	MTM of Payable		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

- Submit the speculative position you intend to take and why. A couple of sentences.
- Create a mark-to-market schedule for the past 10 periods (days is fine).
- 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						