

FORMATION OF CURRENCY RISK MANAGEMENT STRATEGIES AT THE ENTERPRISES

Entering foreign markets, both as a seller and as a buyer of goods and services, reveals the need for settlements in foreign currency and the emergence of free cash at the enterprise. Due to the instability of the external environment of the enterprise, namely the constant fluctuations in exchange rates, managers must understand the threat of currency risk.

This issue has become particularly urgent in the context of an increase in the volume of export-import operations of Ukrainian producers, who, sometimes overly carried away by successfully worked out contracts, forget about the high probability of losses from exchange rate fluctuations and do not take adequate measures in time to eliminate this threat.

The aim of the study of this work is to improve the existing system of managing currency risks at Ukrainian enterprises, as one of the prerequisites for achieving success in the implementation of foreign economic activity. Currency risks management of the enterprise is a process of anticipating and neutralizing their negative financial consequences associated with their identification, assessment, prevention and insurance. It is advisable that the company in the formation of the strategy for managing currency risks, use the following steps:

1. Identification of certain types of currency risks, their distribution on external and internal, systematic and unsystematic.
2. Selection and use of appropriate methods for assessing the probability of a risk event for certain types of currency risks.
3. Analysis of currency risks, which includes: analysis of the consequences of a risky situation; analysis and selection of tools that can be used at the enterprise for the purpose of risk management and taking into account the level of controllability and correlation between different types of currency risks.
4. Establishment of the maximum permissible level of currency risks.
5. The choice of specific forms and types of tools to neutralize the negative consequences of certain types of currency risks.
6. Assessment of the consequences of applying the selected risk management tool by indicators: level of neutralization of possible financial losses; profitability of neutralization.

The use of market instruments opens wide opportunities for the subjects of foreign economic activity and provides an almost 100 percent guarantee of covering the risks of foreign exchange losses and even the possibility of obtaining additional profit.

The novelty of the study lies in the fact that, on the basis of a substantive study of modern possibilities of using hedging instruments, the feasibility of improving the mechanism of managing currency risks at Ukrainian enterprises was substantiated. It is concluded that it is the use of market instruments that opens up opportunities for subjects of foreign economic activity and provide an almost 100 percent guarantee of covering the risks of foreign exchange losses and even the possibility of additional profit.

Keywords: currency risks; management strategy; settlements in foreign currency; export-import operations; economic development.

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