

A Study on Risk Management in Foreign Exchange

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Abstract: *The foreign exchange (forex or FX) market is the world's largest and most liquid financial market, with daily trading volumes exceeding \$6 trillion. In this dynamic and interconnected global marketplace, participants face various risks that can impact their financial stability and profitability. Risk management in foreign exchange is critical for individuals, corporations, financial institutions, and governments seeking to navigate the complexities of currency exchange and protect their interests. In conclusion, foreign exchange risk management is a multifaceted discipline that requires a deep understanding of currency markets, risk assessment, and the use of appropriate hedging strategies. Effectively managing exchange rate risk can safeguard the financial stability and competitiveness of entities involved in international business activities. As the global economy continues to evolve, staying attuned to emerging trends and technological advancements is essential for successful risk management in foreign exchange..*

Keywords: Exchange, Rate, Risk, Currency, Hedging, Forward, Futures