



~~trader~~

HEDGER

Investment & finance definition :-

A trader or commodity producer who places a trade in order to protect against price fluctuation in commodities or financial instruments.

A Hedger may be someone who owns Treasury bonds and is concerned that prices might decline.

Types of Hedges :-

- ① Long Hedge.
- ② Short Hedge.
- ③ Anticipatory Hedge.
- ④ Cross Hedge.
- ⑤ Legacy Hedge.
- ⑥ Rio Hedge.
- ⑦ Chinese Hedge.
- ⑧ Perfect Hedge.
- ⑨ Rolling Hedge.
- ⑩ Stack Hedge and Strip Hedge.

⇒ Hedging with Currency options :-

- ① Hedging through Purchase of option.
- ② Hedging through selling of options.

⇒ Hedging Against a Price Decline :-

- ① Call Bear Spread.
- ② Put Bear Spread.
- ③ Short Minimum - Maximum option strategy.
- ④ Strips.

⇒ Hedging Against a Price Increment :-

- ① Protective put.
- ② Covered Call.
- ③ Call Bull Spread.
- ④ Put Bull Spread.
- ⑤ Straps.