

## **ABSTRACT**

### **TECHNICAL ANALYSIS OF HEDGING IN TO MINIMIZE RISK OF FOREIGN MANUFACTURING COMPANY LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2008-2010**

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The multinational company will have income of relatively big foreign currency and often carried out foreign currency transaction to satisfy his operational requirement. the company usually has the level of the risk that was high towards the fluctuation in the exchange rate of foreign currency. When the condition for exchange rate always was fluctuating and was difficult to be predicted or during that was determined but assets that were accepted he thought far that was hoped for then the company will experience the loss.

To predict and overcome problem of fluctuation in exchange rate of this foreign currency company carried out technique hedging. This research to know that used forward contract and money market could minimise the risk of foreign currency and could benefit for the company. The data that was used was the data skunder that was taken from idx and Indonesian bank then analysis technique that was used by the descriptive test and the test of T-test.

The Results analysis of this research showed that better manufacture company was better used money market because smaller level of the risk valua foreign could minimise risk of foreign currency when being due. Was different from results of T-test test that said did not have difference level risk of foreign currency forward contract and money market could not minimise the level risk of foreign currency.

**Keywords:** fluctuations in foreign exchange, forward contracts, money market