**Protect Your Company From Rising Fuel Prices**

Oil hedging is when a company, who have high exposure to oil, hedge against the price of oil for a chosen amount of time. This means they lock in and pay the current price of oil, for however long the contract lasts, no matter whether the price of oil changes, they still only pay a set price. So, if the price of oil drops hedgers will make more money. Fuel hedging is a contractual tool that large fuel consuming companies use to reduce their exposure to rising fuel costs. It allows fuel consuming companies to establish a fixed cost. To do this they have to enter a hedge contract to protect themselves from fuel costs that are higher than the current prices. Fuel prices fluctuate due to the oil market being extremely volatile. This is a proactive strategy for budget protection; it is also great for those who want insurance against price fluctuations.

When company’s hedge oil they protect themselves from increases in the price of oil, this can help to save company’s a large amount of money, as they are getting it for a cheap price. Companies who have high oil exposures, tend to be the ones who do this as oil will cost them a lot of money overall. People should lock in to the prices now, as they could stay low for the next 5 to 10 years or they can increase. However, if you hedge and lock in on these prices and the prices of oil increase you won’t have to pay any extra. In the long term, doing this could end up saving your businesses a lot of money.

Companies like Mandara, will charge you a sign up fee and then your company will get the difference back, if the price of oil goes up. Businesses that need to buy significant amounts of oil are the ones who hedge against crude oil prices. They do this to try save themselves money in case the price of oil increases, so the oil will stay at the price it was when the contract was made, until the contract ends. Mandara is a fantastic hedging and derivatives trading company. They specialise in hedging the cost of oil to businesses with a high exposure, ensuring that oil price fluctuations don’t have an adverse on their business. They only employ the most talented individuals, so that they can deliver world class service to their valued customers.