

Independent Study Title	FUEL PRICE EXPOSURE IN AIRLINE INDUSTRY AND RISK MANAGEMENT
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ABSTRACT

The paper studies risk management of airlines toward fuel price exposure and its determinants. Furthermore, asymmetric fuel price exposure and effect toward airline's stock return is also investigated. The study find no asymmetric fuel price exposure in airline industry and fuel price has negative effect to airline stock price. Determinants of fuel price hedging are fuel price exposure, percentage change of net income and debt/equity ratio. Moreover, the study finds no relationship between firm's profitability ratio and hedging position.

Keywords: Airline, Exposure, Hedging, Determinants