

## **ABSTRACT**

*Local coal mining companies such as ADRO and PTBA or other companies which mainly export the goods are exposed and vulnerable towards external risk and this will be impacted the company stock's value . From observation period that took place from 16 July 2018 untill 31 January 2017 has shown stock price fluctuation phenomena happened to those three companies, ADRO daily stock return was moved around - 19% untill 19% and PTBA from - 23% untill 43%.*

*The fluctuation phenomena shows high volatility and will be impacted to investment loss thus risk management is needed, This research will evaluate hedging straregy by using call option, short forward and no hedging toward ADRO and PTBA stock in January 2012 untill 1 January 2017.*

*In total there were 61 data collected during January 2012 untill January 2017 for respective company and it shows hedging with short forward gave good risk protection and profit as well to ADRO and PTBA stock, while call option and no hedging strategy are resulted negative risk protection and ended up with losses.*

**Key words:** *Call option, Derivative, No hedging, Short forward, Stock hedging.*