



18 Views | 2 CrossRef citations to date | 0 Altmetric

Original Articles

Interest rate risk management with futures for financial intermediaries

John Doukas & Bala Arshanapalli

Pages 179-185 | Published online: 02 Nov 2006

📖 Cite this article 🔗 <https://doi.org/10.1080/758516632>

Sample our
Economics, Finance,
Business & Industry Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

📖 References

📖 Citations

📊 Metrics

🖨 Reprints & Permissions

Read this article

🔗 Share

Abstract

Optimal futures hedging positions are derived without any a priori restrictions imposed on the financial intermediaries' management utility function. Optimal hedging positions are estimated using actual time-series futures hedging data over the 1982–88 period and compared to actual hedging figures. It is shown that a priori restrictions are not necessary. It is also shown that such a priori restrictions yield suboptimal futures contracts which may explain why previous studies have shown that banks are underhedged. The results strongly suggest that financial intermediaries' futures hedging positions do offset the overall interest rate and quantity risk of operations.

Related research ⓘ

Information for

[Authors](#)[R&D professionals](#)[Editors](#)[Librarians](#)[Societies](#)

Opportunities

[Reprints and e-prints](#)[Advertising solutions](#)[Accelerated publication](#)[Corporate access solutions](#)

Open access

[Overview](#)[Open journals](#)[Open Select](#)[Dove Medical Press](#)[F1000Research](#)

Help and information

[Help and contact](#)[Newsroom](#)[All journals](#)[Books](#)

Keep up to date

Register to receive personalised research and resources by email

[Sign me up](#)