Just as we thought the instability of the last two years may be ending, the war in Ukraine poses further uncertainty for global financial markets.

SMART CURRENCY BUSINESS

WHAT WILL BE THE ONGOING IMPACT OF THE UKRAINE WAR ON CURRENCIES AND ECONOMIES?

QUARTERLY FORECAST
APRIL – JUNE 2022

WAR IN UKRAINE AND ITS REPERCUSSIONS

IS INFLATION ALREADY OUT OF CONTROL?

ECONOMIC DEMAND IN A 'COST OF LIVING CRISIS'

EXTREME EXCHANGE RATE PREDICTIONS

smart
CURRENCY BUSINESS

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Business Moneyfacts Awards 2022
FINALIST

Nominated finalists in the following categories at the 2022 Business Moneyfacts Awards:

✓ Best Business FX Provider

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GLOBAL UNREST REFLECTED IN THE CURRENCY MARKETS

Our last Quarterly Forecast focused on economic recovery from the pandemic and the actions of central banks. Little did we know that we were about to face an entirely different challenge – a new black swan event to shock the world.

The war in Ukraine proved that not every national leader is primarily focused on improving wealth and happiness. Although there were some movements in financial markets pre-invasion, the ferocity of the invasion has taken the financial markets by surprise. Currencies and economies across the globe continue to be impacted by events in Ukraine and sanctions imposed on Russia. The future course and repercussions of such volatile events are simply impossible to predict.

Nevertheless, the major banks have attempted to forecast exchange rates for the next quarter and beyond. Read on to see what they predict.

Smart Currency Business takes the view that exchange rate movements are unpredictable, and we advocate a risk management approach to currency. We are here to help you with this.

If your business is exposed to foreign exchange risk, it's never been more vital to be proactive about risk management. SmartHedge is the tool we recommend to protect your interests. Read more at the back of this document.

From me and the team at Smart Currency Business, we wish you peace and good health for you and your business.

Alex Bennett, Managing Director, Smart Currency Business

smart HEDGE CLICK HERE TO READ OUR SPECIAL FEATURE

WHERE WILL YOUR CURRENCY BE BY Q3 OF 2022?

Rate predictions for quarter three of 2022 (July-September) and the possible impact on your budget. If you were exchanging £1 million for USD, the predictions carry a disparity of $120,000, and for EUR a disparity of €100,000.

CURRENCY PAIRING	MIN. RATE	MAX. RATE	AMOUNT CHANGED	MIN-MAX VARIANCE
GBP/USD	1.26	1.38	£1 million	$120,000
GBP/EUR	1.15	1.25	£1 million	€100,000
EUR/USD	1.05	1.18	€1 million	$130,000

IN BRIEF: JANUARY-MARCH 2022

GBP/USD RATES 2022			
MONTH	AVERAGE	HIGH	LOW
January	1.3554	1.3750	1.3357
February	1.3535	1.3645	1.3271
March	1.3163	1.3439	1.2999

Over the past 12 months, the highest rate for GBP/USD has been 1.4250, while the lowest has been 1.2999.

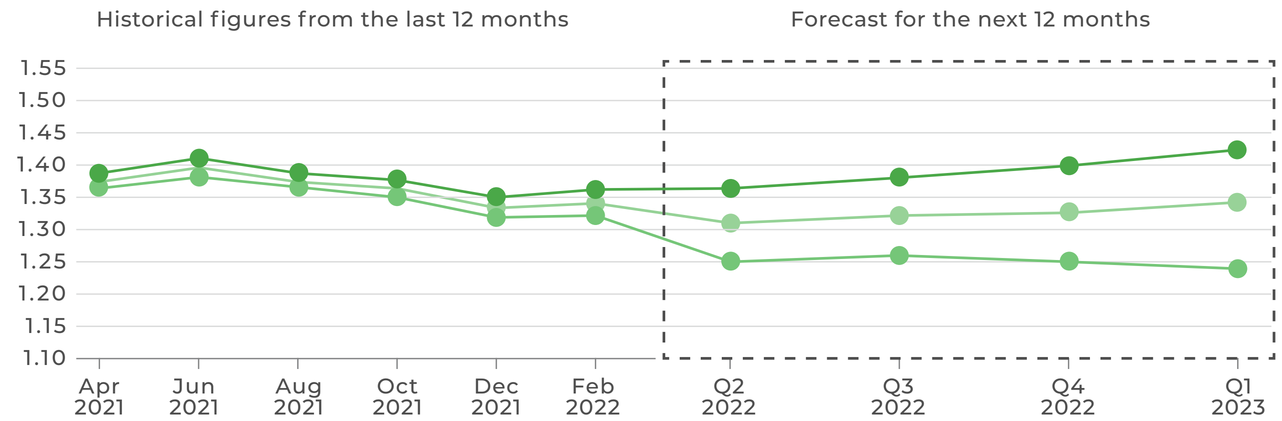
EUR/USD RATES 2022			
MONTH	AVERAGE	HIGH	LOW
January	1.1316	1.1484	1.1121
February	1.1342	1.1496	1.1106
March	1.1014	1.1234	1.0805

Over the past 12 months, the highest rate for EUR/USD has been 1.2267, while the lowest has been 1.0805.

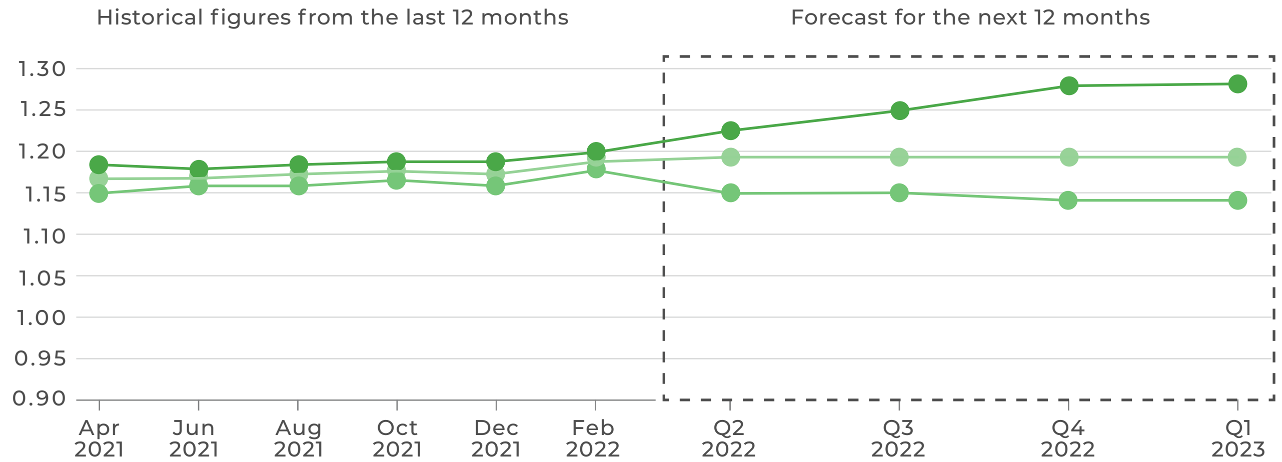
GBP/EUR RATES 2022			
MONTH	AVERAGE	HIGH	LOW
January	1.1973	1.2043	1.1870
February	1.1931	1.2073	1.1793
March	1.1947	1.2194	1.1745

Over the past 12 months, the highest rate for GBP/EUR has been 1.2194, while the lowest has been 1.1466.

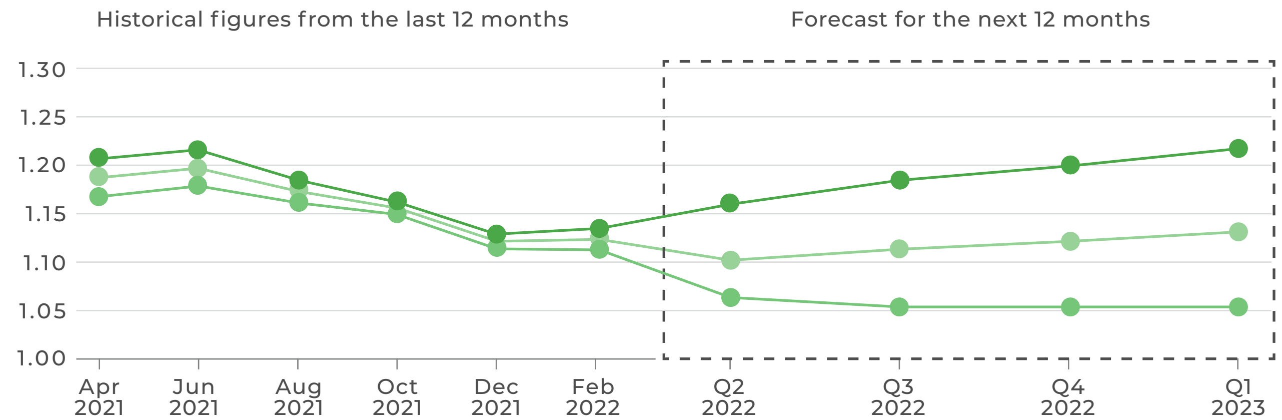
GBP/USD



GBP/EUR



EUR/USD



SOURCE: BLOOMBERG. ACCURATE AS OF 7TH APRIL 2022.

SUMMARY

There are three dominant themes in this Quarterly Forecast, none of which were predictable a year ago. It goes to prove once again that geopolitical events and the movements of currencies are impossible to foresee.

WAR IN UKRAINE

Events in Ukraine have driven all major currencies since well before the invasion and continue to have the most influence day by day at the time of writing. Threats to European stability and its economy have weakened the euro, but maybe not as much as might be expected. Safe-haven currencies like the US dollar strengthened (although the Japanese yen is being held back by low interest rates). The pound has weakened significantly against the greenback, but also against commodity-backed currencies like the Australian and Canadian dollars. The progress of the conflict continues to affect rates, with the euro strengthening on hopes for peace talks, weakened when they were dashed, and so on.

GAS AND OIL SUPPLIES

While the threat to oil and gas supplies at first drove the euro down, sanctions soon became priced in, and the euro stayed resilient. However, as the clamour for a ban of Russian oil and gas imports grows in the face of war crimes, it remains vulnerable. Margaret Thatcher warned Helmut Schmidt about over-reliance on (at the time) Soviet oil and gas in the 1980s, and since then Germany has only become more reliant. The European Union now plans to end its reliance on Russian oil and gas by 2027. An increase in production from the USA and Middle East could ameliorate the problem, further strengthening the US dollar but also releasing pressure on the euro.

See our analysis of Brent Crude oil prices on page 12.

INFLATION

Central banks continue to navigate the fine balance between taming unruly inflation without derailing economic growth – with the European Central Bank (ECB) adopting a ‘gradual and flexible’ approach.

The Bank of England (BoE) has raised interest rates three times since December and more hikes are in the pipeline. Governor Andrew Bailey has acknowledged the risk of “stagflation” – low growth but high inflation – and so officials will need to tread carefully.

The approach is far from settled, however. The Bank of England’s deputy governor for financial stability, Sir Jon Cunliffe, the only member of the Monetary Policy Committee to vote against higher interest rates in March, said that worries over 1970s-style inflation were overblown and that the Ukraine war might lead eventually to a lowering of inflation to below the 2% target.

Central banks around the world are being slow to raise interest rates. Could that be down to record levels of debt the public have accrued during the years of very low interest rates? What is the likely effect on people’s purses of higher repayments in a period of soaring fuel prices and high inflation?

Amidst heightened uncertainty, there is much to be concerned about. Not least, the next black swan event – unforeseen at the time, but obvious with hindsight – that could be lurking around the next quarter. Currency exposure for your business, however, is under your control. Smart Currency Business would like to reassure you that there are measures you can take to protect your business against current and future threats.

UK ECONOMY

The pound has suffered in recent weeks due to worries about the UK's economic outlook. Rising energy prices and high inflation are a cause of concern for many, including Bank of England governor Andrew Bailey.

Bailey said that British people faced a "historic shock to real incomes" and that "the shock from energy prices this year will be larger than every single year in the 1970s."

He went on to say that the risk of stagflation – low growth but high inflation – is the biggest threat the Bank has faced since it was charged with setting interest rates in 1997. This echoed comments from the Office for Budget Responsibility that household incomes would fall at the sharpest rate since the 1950s.

The UK's inflation figure for the year to February was higher than expected at 6.2%, up from January's reading of 5.5% and above market forecasts of 5.9%. Chancellor Rishi Sunak acknowledged rising inflation in his Spring Statement, saying that it is expected to average at 7.4%. However, critics have said that whilst the Spring Budget focused on tax, measures to support struggling firms and households were lacking.

Further data on the UK's cost of living, economy and results of government action could continue to impact the pound's movements in the coming months.

BANK OF ENGLAND

The Bank of England raised interest rates three times between December and March to combat high inflation. At the Bank's March meeting, the interest rate was raised to 0.75% – back to pre-pandemic levels. However, one person on the nine-person Monetary Policy Committee voted against the interest rate hike. This dovish attitude caused the markets to worry that other officials could begin to share a similar view in the coming months, which would change the Bank of England's course of action. Sterling weakened as a result. However, more hikes are currently expected throughout the year and the pound could continue to react to news of this, as well as rhetoric and speculation surrounding interest rates.

WAR IN UKRAINE

The economic implications of the war in Ukraine could weigh on the pound over the coming weeks and months. In his Spring Statement, Chancellor Rishi Sunak said, "The actions we have taken to sanction Putin's regime are not cost-free for us at home. The invasion of Ukraine presents a risk to our recovery as it does to countries around the world." Data released at the end of March showed that growth has slowed in the UK's manufacturing sector due to an increase in costs and the disruption of supply chains due to the war in Ukraine. This could continue to have a significant impact as sanctions on Russia increase and the war continues.

OUR STRATEGIST'S ANALYSIS

The pound avoided some of the volatility experienced in mainland Europe, though it has weakened significantly against the dollar. Bank of England interest rate hikes have been in line with expectations but are being viewed as mildly dovish, as the market thinks that more aggressive action is needed. This has left the pound weaker globally. Should a more significant hike be introduced, however, there could be potential for sudden gains. The UK has also been stepping up sanctions against Russian oligarchs with one of the most notable, Roman Abramovich, leading to the sale of Chelsea Football Club. The removal of Russia as a viable trading partner will lead many businesses to find alternative markets for their imports and exports. It could also further exacerbate the supply chain difficulties seen over the last year.

ECONOMIC INDICATOR	DATA	REFERENCE
Interest rate	0.75%	Mar/22
Inflation rate	6.2%	Feb/22
Unemployment rate	3.8%	Jan/22
GDP growth rate	1.3%	Dec/21

WAR IN UKRAINE

The euro has been heavily impacted by the ongoing conflict in Ukraine, mainly because the war has a direct effect on the European economy. Europe is reliant on Russian gas and sanctions from the West are limiting the supply of this, with potentially long-standing implications for the continent.

News and speculation surrounding peace talks are likely to continue to impact the single currency in the weeks and months to come. Any signs of positive breakthroughs, promises from Russia to scale back troops or indications that the conflict is de-escalating are likely to strengthen the euro, whilst news of the war worsening or talks making little progress is likely to cause the euro to weaken. With news coming from Ukraine on a daily and sometimes hourly basis, the euro is likely to continue to be extremely volatile.

The president of the European Central Bank, Christine Lagarde, warned that "the longer the war lasts, the higher the economic costs will be and the greater the likelihood we end up in more adverse scenarios."

Europe has set a deadline of 2027 to end its reliance on Russian oil and gas. EU leaders have agreed to spend the next two months drafting proposals for eliminating the bloc's dependency on Russian energy imports and will come up with a proposal by "mid-May", according to European Commission President Ursula von der Leyen.

EUROPEAN ECONOMY

The economic toll of the Ukraine conflict on the eurozone economy continues to worsen. The latest figures revealed that consumer confidence in the eurozone plummeted, mainly due to high inflation, whilst economic sentiment also fell. Inflation for Germany and Spain accelerated to its highest levels since the 1980s in March, largely due to the prices of natural gas and mineral oil products. The European economy risks stagflation – stagnating growth coupled with high inflation – and the European Central Bank will have to tread carefully to mitigate this.

EUROPEAN CENTRAL BANK

Given Europe's economic situation and direct links to Russia, the European Central Bank has a balancing act on its hands. Christine Lagarde is taking a characteristically cautious approach to monetary policy. However, the ECB's rate-setting Governing Council is divided, as some are already calling for an interest rate hike to combat high inflation. A handful of officials take the view that high inflation should be tackled now before the Ukraine crisis makes it worse. If more adopt this view, then Lagarde could be pressured to change her approach.

OUR STRATEGIST'S ANALYSIS

The euro has seen much of its hawkish momentum from the start of the year removed due to the war in Ukraine and the movement towards safe-haven currencies. This slide has been coupled with repressed growth figures and a boost to inflation. The reliance of Europe on Russian gas is a question that remains to be solved and is increasingly problematic, with fuel prices rising significantly. The rise in inflation could lead to the European Central Bank hiking rates sooner than expected and there is some belief this could come as early as the fourth quarter of this year. With increasing uncertainty around the strength of the euro, it is more important than ever to ensure that businesses have a proper risk-mitigation strategy planned to avoid unexpected costs.

ECONOMIC INDICATOR	DATA	REFERENCE
Interest rate	0.0%	Mar/22
Inflation rate	7.5%	Mar/22
Unemployment rate	6.8%	Feb/22
GDP growth rate	0.3%	Dec/21

FEDERAL RESERVE

The Federal Reserve (Fed) decided to raise interest rates for the first time since 2018 at its March meeting. As expected, officials raised the interest rate by 0.25 percentage points to combat high inflation, which is now running at 7.9%. This is well above the central bank's target of 2%.

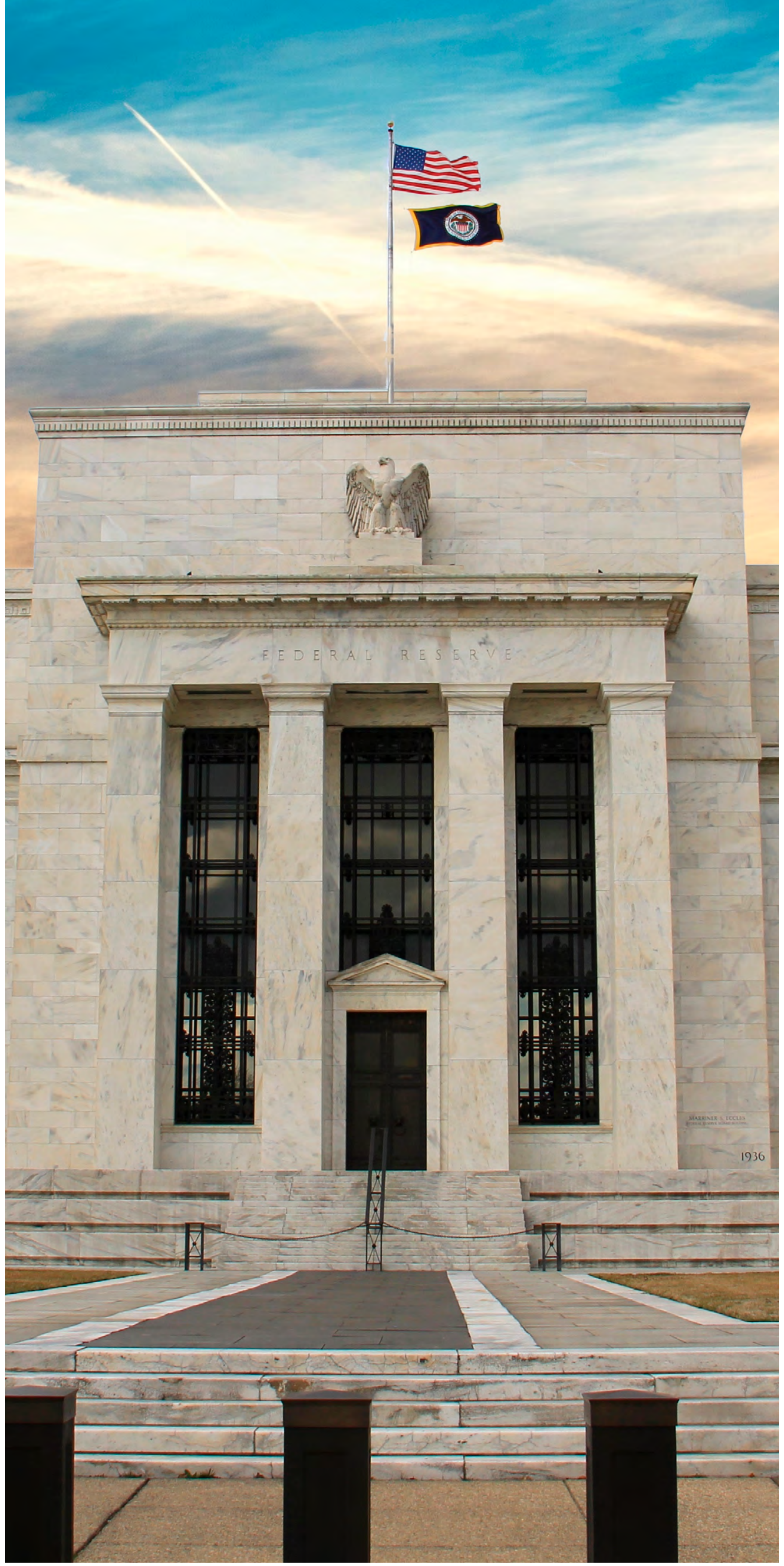
Despite the hawkish tone of the meeting, the US dollar weakened following the news. The interest rate hike was largely priced in and the projections and comments about future action were no more aggressive than expected. As there were no surprises for the markets, this weighed on the dollar.

However, subsequent hawkish remarks have caused the dollar to strengthen. Federal Reserve chairman Jerome Powell suggested that interest rates could be hiked by more than 25 basis points at upcoming monetary policy meetings if inflation continues to run high.

The Fed is expected to raise interest rates six more times in 2022 and the rate is projected to rise to almost 2% by the end of the year. However, as always, this is a delicate balancing act. If the Fed acts too slowly high inflation could become entrenched, whilst moving too quickly and aggressively could hinder economic growth in the US and abroad.

WAR IN UKRAINE

The US dollar is the world's reserve currency so is often the default safe-haven choice during times of uncertainty, known as 'risk off'. The greenback has, therefore, largely benefited since the beginning of the crisis. However, it is also prone to volatility, impacted by developments surrounding peace talks and sanctions. If the markets decide that the Ukraine conflict is less of a concern, 'risk on', then the dollar could fall. Equally, when events in Ukraine escalate, investors opt for the safety of the dollar, causing it to strengthen. The progress and outcomes of peace talks between Russia and Ukraine could continue to drive the US dollar and other currencies in the coming weeks and months.



US ECONOMY

Energy prices have been the biggest contributor to rising inflation in the US, with gasoline prices surging 38% in February. This figure is set to rise further due to the war in Ukraine. Despite this, consumer confidence improved in March, possibly due to strong labour market figures that have gone back to pre-pandemic levels in some sectors. Jerome Powell said that a 'soft landing' can be achieved for the US economy – meaning that inflation can be tamed without causing a recession. There were no shocks from non-farm payrolls in March, just slightly below expectations at 431,000 after smashing expectations in February to hit 750,000.

OUR STRATEGIST'S ANALYSIS

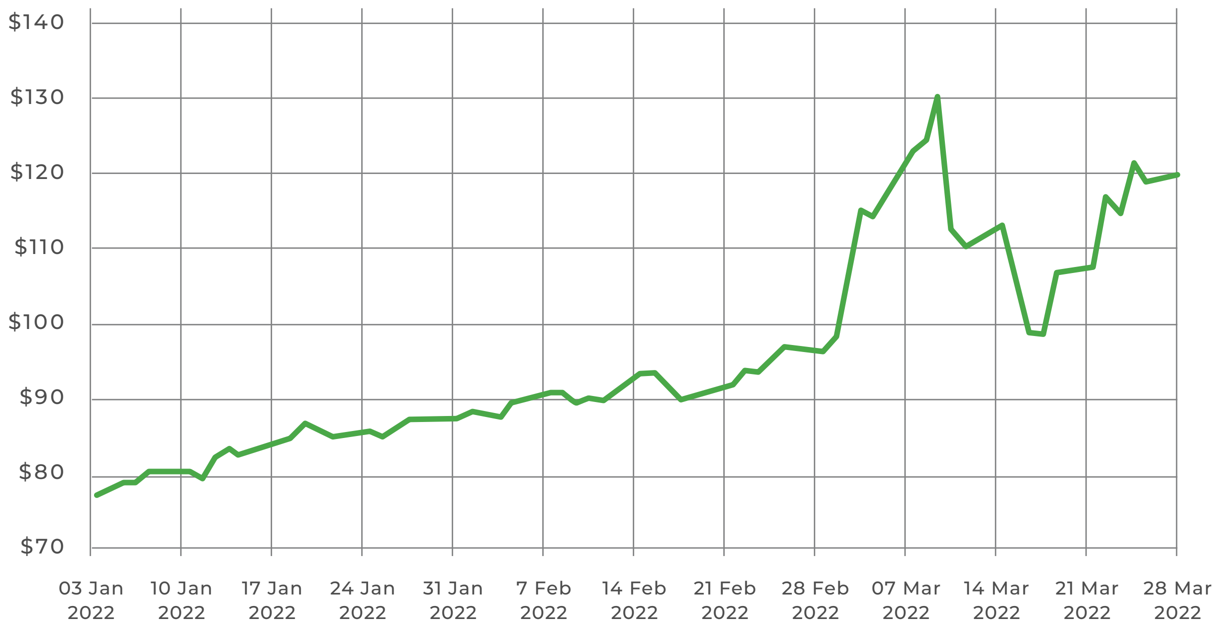
The market's assumption as to the dollar's terminal rate continues to fluctuate. It continues to act as a safe-haven currency and has seen significant strengthening over the last quarter due to the uncertainty caused by the Russian war in Ukraine. The Federal Reserve has hiked interest rates in line with expectations to date, with a 25-basis point hike in March. However, Jerome Powell has been openly more hawkish in his rhetoric, creating additional uncertainty over the size of future rate hikes. A lot will ride on the escalation or de-escalation of the Russian war in Ukraine, with both directions creating significant volatility for the dollar.

ECONOMIC INDICATOR	DATA	REFERENCE
Interest rate	0.5%	Mar/22
Inflation rate	7.9%	Feb/22
Unemployment rate	3.6%	Mar/22
GDP growth rate	6.9%	Dec/21

OUR STRATEGIST'S KEY CHARTS TO WATCH

BRENT CRUDE OIL PRICES

SOURCE: BLOOMBERG

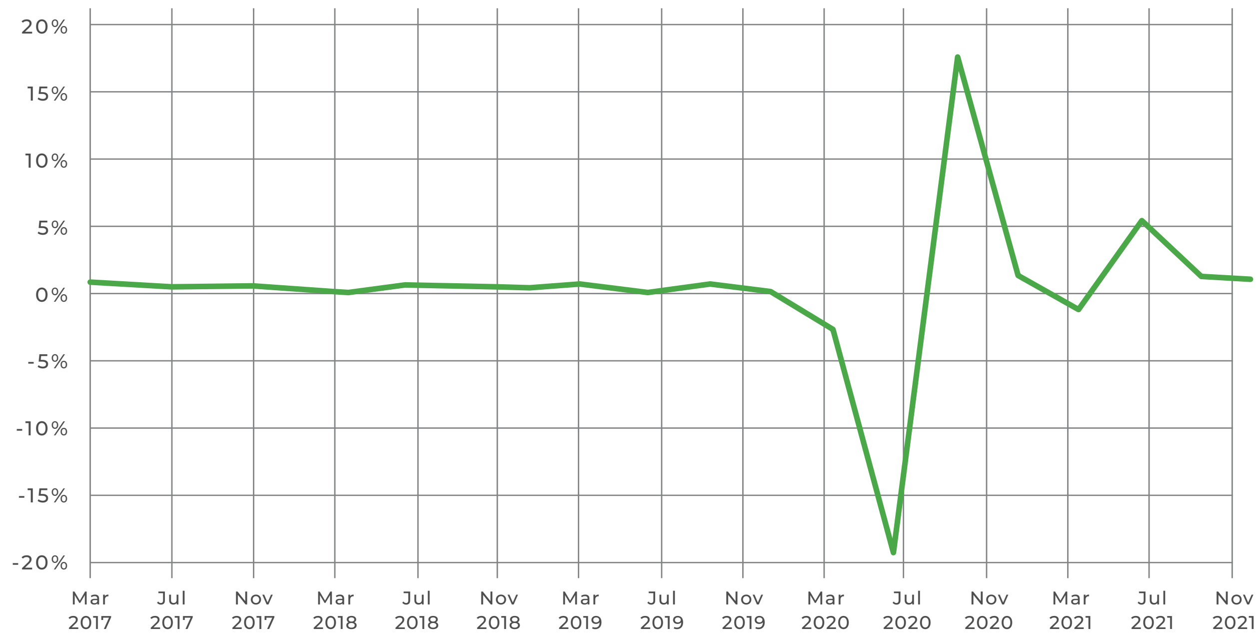


The chart shows the change in the price of a barrel of Brent crude oil over the last quarter. The min/max variance over this period shows an increase in the cost of 68.5% with the potential for further price hikes as the war in Ukraine rages onwards. This surge in prices has been driving inflation higher, and while commodity-driven currencies are seeing a gain in strength, for many countries, particularly the UK, rising inflation is causing growth to stagnate.

While the rise in oil prices has given momentum to currencies such as the Canadian and Australian dollars, these recent gains highlight the potential for volatility in currency markets, and the impact of numerous different factors on the relative strength of currencies. If oil prices were now to fall, we would likely also see a regression in gains for these currencies, highlighting the need for a comprehensive risk management strategy for businesses.

UK GDP GROWTH

SOURCE: BLOOMBERG



While the UK has been able to recover from Covid and see some normalisation of its growth over the past year, the recent surge in inflation is causing concerns over the potential future growth outlook. Rishi Sunak has cut the UK's growth outlook for the rest of the year to 3.8%. This signals that we are not out of the woods yet and there are very clear pressures on businesses looking to return to normal post-pandemic. The struggles with growth could see the Bank of England hold back on further rate hikes, or even reverse policy and cut rates. This increases the uncertainty around currencies and emphasises the importance of proper budgeting and risk management.

> "The future is never fixed, but always in flux until the moment it meets with the present."
> Mindee Arnett, Author

GLOBAL CURRENCIES

CZECH KORUNA

The Czech National Bank increased interest rates at the end of March. The markets expect another rate hike at the May meeting to tame high inflation, which is predicted to peak at around 14% in the coming months due to the Ukraine conflict. The Bank intervened in the strength of the Czech koruna in March to stop it from weakening excessively, though officials said that they do not intend to continue with this, as no further action is needed at present. Whilst the Czech National Bank won't allow the koruna to weaken significantly, the currency is still vulnerable to geopolitical news.

AUSSIE DOLLAR

The Australian dollar strengthened against the pound recently due to strong Australian PMI data, which showed that the manufacturing sector performed better than expected in March. The Australian dollar is, at the time of writing, the best performing G10 currency since the start of the conflict in Ukraine. This is because Europe will increasingly need to move away from Russian energy and towards alternative energy sources, which will be beneficial for the Australian economy. Even if the conflict ends with a peace deal, Europe is still likely to move away from Russian energy, so AUD could be supported in the long term.

RUSSIAN ROUBLE

After suffering heavy losses at the beginning of the Ukraine crisis due to sanctions, the rouble staged a slight recovery. This came after President Vladimir Putin's demand that European consumers of Russian natural gas pay for it in roubles and in anticipation of further peace talks between Russia and Ukraine. The rouble is set to remain vulnerable to the progress of peace talks and to developments in Ukraine, however, its rebound has raised questions about the effectiveness of sanctions. Russia has taken extreme measures to support the rouble, such as raising interest rates by 20%, however many argue that these measures are unsustainable, and the rouble is destined to plummet eventually, along with the Russian economy.

> "For us the future seems far from being as clear and open as we believed it would be. "
>
> Faith Baldwin, Author

THE POUND AND INTEREST RATES

After cutting the interest rate twice in 2020, the Bank of England has since hiked the rate at the December, February and March monetary policy meetings. We take a look at how and why the pound has reacted.

HOW DOES THE BANK OF ENGLAND CHANGE THE INTEREST RATE?

The Bank of England has lowered interest rates several times in recent years. In 2009 it was due to the global financial crisis, in 2016 following the Brexit referendum and in 2020 due to pandemic, when it was cut to its lowest ever rate of 0.1%.

Between December and March 2021 to 2022, the Bank of England raised the interest rate three times, largely due to high inflation. Inflation in March was its highest in nearly 30 years at 6.2%, far above the Bank's target of 2%. In raising the interest rate, the Bank of England hopes that this will reduce inflation.

WHAT IMPACT DO INTEREST RATES HAVE ON THE POUND?

If there are signs that the UK economy is expanding (such as the Bank raising interest rates), the pound is more desirable for investors. The general assumption, then, is that the pound strengthens when interest rates go up and weakens when they go down. However, this isn't always the case. In fact, sterling's reaction to interest rate announcements is anything but predictable.

UNFORESEEN OUTCOMES

It's not just the act of raising or cutting interest rates that impacts the pound's movements. The rhetoric surrounding the announcements and expectation for future action can also impact sterling.

For example, at February's Bank of England meeting, the interest rate was hiked to 0.5%, causing the pound to strengthen initially. However, BoE Governor Andrew Bailey subsequently said that the economy is not "roaring away", so it would be a mistake to expect that interest rates are on the "inevitable long march up". Despite the interest rate being raised, these comments caused the pound to weaken.

At the Bank of England's March meeting, the interest rate was raised to 0.75% – where it was before the pandemic lockdowns began two years ago. The assumption was that the pound would strengthen on this news, but it weakened. Why?

A single member of the nine-person Monetary Policy Committee voted against the interest rate hike. This dovish attitude caused the markets to worry that other officials could begin to share a similar view in the coming months. Sterling weakened as a result.

WHEN ARE THE BANK OF ENGLAND'S NEXT INTEREST RATE DECISIONS?

The Bank of England will hold their monetary policy meetings in 2022 on the following dates: 05 May / 16 Jun / 04 Aug / 15 Sep / 03 Nov / 15 Dec. More interest rate rises are forecast this year. However, whether they materialise or not depends on a number of factors.

It is, therefore, difficult to say for sure how the Bank of England will manage interest rates this year and nearly impossible to predict how the pound will fare as a result.

MAJOR BANK CURRENCY FORECASTS

2022 MAJOR BANK FORECASTS - GBP/USD				
INSTITUTE	**Q2 2022**	**Q3 2022**	**Q4 2022**	**Q1 2023**
Barclays	1.31	1.35	1.39	1.39
BNP Paribas	1.29	1.31	1.33	1.34
Commerzbank	1.32	1.33	1.33	1.34
Danske Bank	1.28	1.26	1.26	1.25
ING Finance	1.37	1.35	1.35	-
JP Morgan Chase	1.31	1.33	1.34	1.34
Morgan Stanley	1.30	1.32	1.34	1.33
Median	1.32	1.33	1.34	1.35
Minimum	1.25	1.26	1.25	1.24
Maximum	1.36	1.38	1.40	1.43

2022 MAJOR BANK FORECASTS - GBP/EUR				
INSTITUTE	**Q2 2022**	**Q3 2022**	**Q4 2022**	**Q1 2023**
Barclays	1.20	1.20	1.20	1.20
BNP Paribas	1.16	1.16	1.16	1.16
Commerzbank	1.18	1.16	1.15	1.16
Danske Bank	1.19	1.19	1.19	1.19
ING Finance	1.22	1.20	1.19	-
JP Morgan Chase	1.19	1.20	1.19	1.19
Morgan Stanley	1.20	1.19	1.18	1.16
Median	1.19	1.19	1.18	1.18
Minimum	1.15	1.15	1.14	1.14
Maximum	1.23	1.25	1.28	1.28

2022 MAJOR BANK FORECASTS - EUR/USD				
INSTITUTE	**Q2 2022**	**Q3 2022**	**Q4 2022**	**Q1 2023**
Barclays	1.09	1.12	1.15	1.15
BNP Paribas	1.11	1.13	1.14	1.15
Commerzbank	1.10	1.09	1.08	1.08
Danske Bank	1.08	1.06	1.05	1.05
ING Finance	1.12	1.12	1.13	-
JP Morgan Chase	1.10	1.11	1.12	1.13
Morgan Stanley	1.08	1.11	1.14	1.15
Median	1.10	1.12	1.14	1.15
Minimum	1.06	1.05	1.05	1.05
Maximum	1.16	1.18	1.20	1.22

*SOURCE: BLOOMBERG
WE TOOK A SELECTION OF FORECASTS AND ROUNDED UP TO TWO DECIMAL PLACES.
MINIMUM AND MAXIMUM COLUMNS SHOW THE EXTREMES. ACCURATE AS OF 7TH APRIL 2022.

GET REWARDS WITH OUR NETWORKING SCHEME

Do you know a company or individual with exposure to foreign currency? If so, then introduce them to Smart Currency Business. When the person or company you refer makes their first trade, we will send you an **Amazon voucher worth up to £50**. This is how it works:

- Provide us with the contact details of the company or individual you think might benefit from our service
- We will contact them to find out more and see if we can help
- When they make their first trade, we will send you your Amazon voucher

If you know someone who could benefit from speaking to us, contact us now on:
020 7898 0500

referral@smartcurrencybusiness.com
www.smartcurrencybusiness.com/referral50

* Please note that if you refer a company and they make their first trade we will send you a £50 Amazon voucher. If you refer an individual and they make their first trade we will send you a £25 amazon voucher.

OUR RISK MANAGEMENT AND VALUATIONS PLATFORM

We have created an advanced, clear and easy to use platform offering new automated solutions. SmartHedge has been developed and tested to address the specific needs and issues faced by UK SMEs and corporates when managing currency exposures.

Keeping track of your foreign exchange exposure can be a challenge, but SmartHedge makes this easier. Your business will benefit from spending less time processing information and more time making key decisions.

"Smart are very easy to work with; our dedicated adviser is always available to answer my calls, whether it is to place a trade or answer a query about how to reduce our currency risk."

Annwyn Smith,
Financial Accountant at IOP Publishing

HOW CAN SMARTHEDGE HELP YOU?

Our platform addresses a variety of challenges through 6 key areas:

DAY TO DAY USE

Valuations

- Do you struggle to manage your ongoing currency valuations?
- Do you find valuing positions at your financial year-end a challenge?
- Do you struggle to manage currency exposure across multiple counterparties?
- Are you fully aware of your margin call risk and how this may impact your business?
- Do you effectively measure against current credit facilities?

Reporting

- Do you struggle to keep track of your current hedging?
- Is it a challenge to manage multiple spot and forward deals across different currency pairs?
- Are you able to capture hedging across all of your counterparties in one place?
- Are you effectively managing upcoming option expiries?
- Are you looking to automate this process and move away from error-prone, time-consuming spreadsheets?

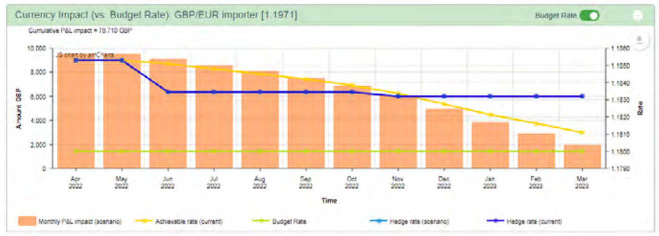
Cash flow forecasting

- Is it a challenge to manage your company cash flow on an ongoing basis?
- Do you sometimes feel as though you have a lack of cash flow visibility or struggle to match hedging requirements with upcoming currency forecasts?
- Do you struggle to measure the risk of cash flow exposure given a changing exchange rate?
- Would you like to manage this more efficiently?

LONG-TERM PLANNING

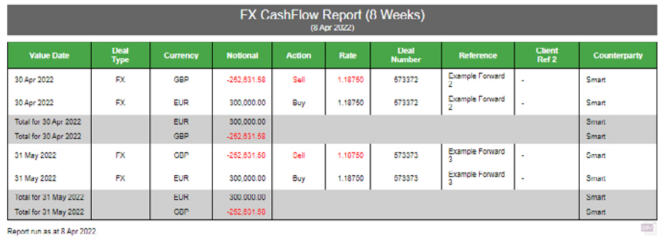
FX management & decision making

- Is it a struggle to model all your forecasts and hedging in one place?
- Are you able to clearly quantify performance versus your budgeted rate?
- Do you struggle to back-test previous strategies to help inform decisions?
- Do you struggle to measure and maintain your hedging policy?



Stress testing & analysing risk

- Do you struggle to assess the impact of a moving exchange rate on your current hedging?
- Do you struggle to quantify the potential profit/loss you could be exposed to?
- Is quantifying current/potential performance versus budget rate a challenge?
- Are you able to account for and prepare for black swan events?
- Do you struggle to model hedging outcomes given a changing exchange rate, especially with options?



Options Modelling

- Is it a struggle to model your full options programme in one place?
- Do you struggle to manage multiple upcoming option expiries?
- Do you struggle with accessing option valuations?
- Is modelling multiple options outcomes at the same time challenging?

"We will be on hand to provide setup, product demonstration and ongoing support, so please reach out now to arrange your 10-minute product tour to see how SmartHedge can help your business."

Rufus Brookman, SmartHedge Product Manager

DO ANY OF THE CHALLENGES LISTED APPLY TO YOU?

To find out how SmartHedge can address these challenges and help your business, contact us to arrange your 10-minute product tour and/or a demo:

020 3733 7402

support@smartcurrencybusiness.com

ABOUT US

We are a recognised expert in financial risk management, providing UK companies with tailored currency exchange services. Our experts help businesses mitigate the risk of foreign currency exposure when making international transfers and payments. This can involve creating bespoke solutions that meet the specific circumstances of your business. We are also passionate about working with our clients to help them understand just how important currency risk management can be in these uncertain times, and regularly provide news, insights, guides and white papers to educate businesses. We have been a business since January 2005.

FURTHER INFORMATION

For further information on how Smart Currency Business can help protect your budget and international transfers and payments, email us at **info@smartcurrencybusiness.com** or give us a call on **020 7898 0500**

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Business Moneyfacts Awards 2022
FINALIST

Nominated finalists in the following categories at the 2022 Business Moneyfacts Awards:

✓ **Best Business FX Provider**