
President of the European Central Bank, Christine Lagarde, ponders the future of monetary policy.

SMART CURRENCY BUSINESS

# HOW WILL CENTRAL BANKS BALANCE RISING INFLATION WITH ECONOMIC GROWTH?

## QUARTERLY FORECAST
## JAN – MAR 2022

WILL HIGH INFLATION IN THE EUROZONE SUBSIDE?

COVID-19, BANK OF ENGLAND AND BREXIT COULD IMPACT POUND

WHEN WILL THE FEDERAL RESERVE HIKE INTEREST RATES?

EXTREME PREDICTIONS FROM MAJOR BANKS

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CURRENCY BUSINESS

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FINALIST

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# GOOD NEWS OR BAD NEWS FOR THE POUND?

The currency markets begin 2022 facing many contradictions. The Omicron variant is still prevalent, and yet most of our freedoms remain intact. Whilst pubs, restaurants and shops are open in the UK, many are dealing with staff shortages and quiet trade. Businesses face a drop in export demand.

Although the UK has achieved success with its vaccination booster campaign, there are significant differences in progress across the world. The virus remains a global issue and one country's success can only take it so far.

The mixture of good and bad news feeds into the currency markets, making the movements of the pound and other currencies impossible to predict accurately. Nevertheless, the major banks have attempted to forecast exchange rates for the next quarter and beyond, and these are included in this document.

At Smart Currency Business, it's our view that exchange rate movements are unpredictable. It's for this reason that we advocate a risk management approach to currency. We are here to help you with this.

Our risk management and valuations platform, SmartHedge, keeps track of your foreign exchange exposure and allows you to check if you're protected against the volatility of the currency markets. Read more about it at the back of this document.

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

**Alex Bennett, Managing Director, Smart Currency Business**

smart HEDGE CLICK HERE TO READ OUR SPECIAL FEATURE

### WHERE WILL YOUR CURRENCY BE BY Q2 OF 2022?

*Rate predictions for quarter two of 2022 (April-June) and the possible impact on your budget. If you were exchanging £1 million for USD, the predictions carry a disparity of $210,000, and for EUR a disparity of €160,000.*

| CURRENCY PAIRING | MIN. RATE | MAX. RATE | AMOUNT CHANGED | MIN-MAX VARIANCE |
|---|---|---|---|---|
| **GBP/USD** | 1.22 | 1.43 | £1 million | $210,000 |
| **GBP/EUR** | 1.11 | 1.27 | £1 million | €160,000 |
| **EUR/USD** | 1.07 | 1.19 | €1 million | $120,000 |



# IN BRIEF: OCT - DEC 2021

| GBP/USD RATES 2021 | | | |
|---|---|---|---|
| MONTH | AVERAGE | HIGH | LOW |
| **October** | 1.3691 | 1.3836 | 1.3434 |
| **November** | 1.3449 | 1.3699 | 1.3195 |
| **December** | 1.3317 | 1.3551 | 1.3160 |

Over the past 12 months, the highest rate for GBP/USD has been 1.4250 while the lowest has been 1.3160.

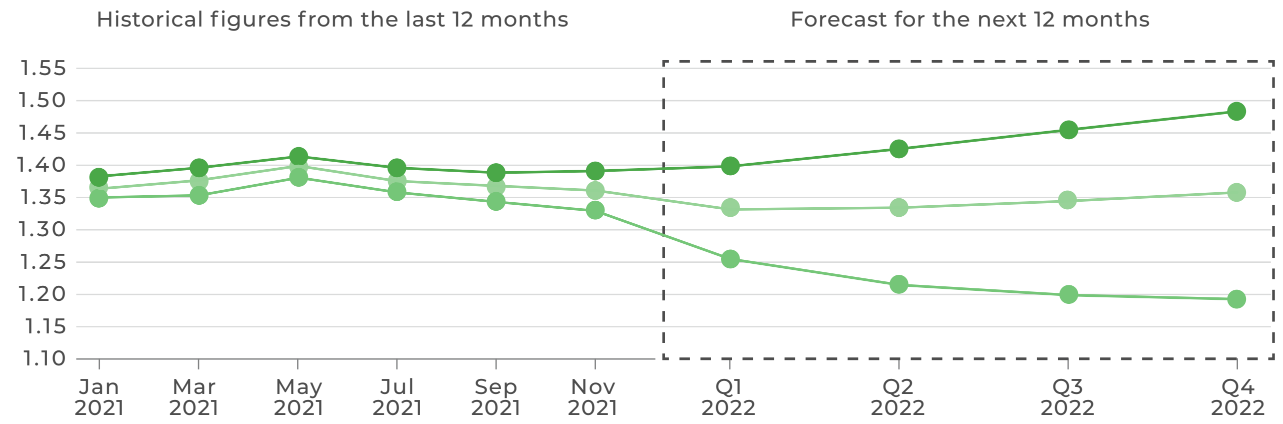
| EUR/USD RATES 2021 | | | |
|---|---|---|---|
| MONTH | AVERAGE | HIGH | LOW |
| **October** | 1.1598 | 1.1693 | 1.1524 |
| **November** | 1.1407 | 1.1617 | 1.1185 |
| **December** | 1.1305 | 1.1387 | 1.1221 |

Over the past 12 months, the highest rate for EUR/USD has been 1.2267, while the lowest has been 1.1185.

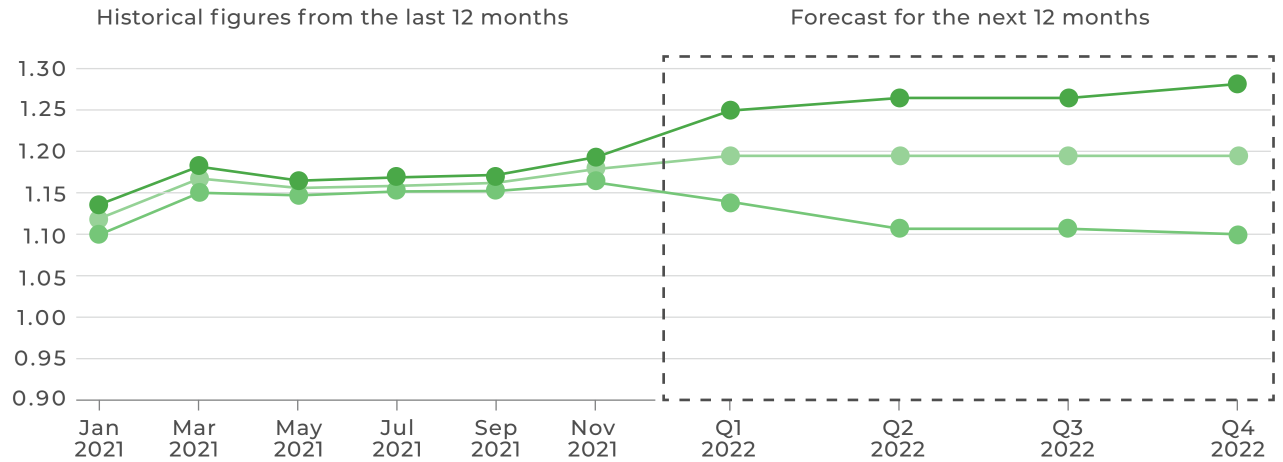
| GBP/EUR RATES 2021 | | | |
|---|---|---|---|
| MONTH | AVERAGE | HIGH | LOW |
| **October** | 1.1801 | 1.1903 | 1.1594 |
| **November** | 1.1787 | 1.1934 | 1.1633 |
| **December** | 1.1776 | 1.1952 | 1.1626 |

Over the past 12 months, the highest rate for GBP/EUR has been 1.2002, while the lowest has been 1.1064.

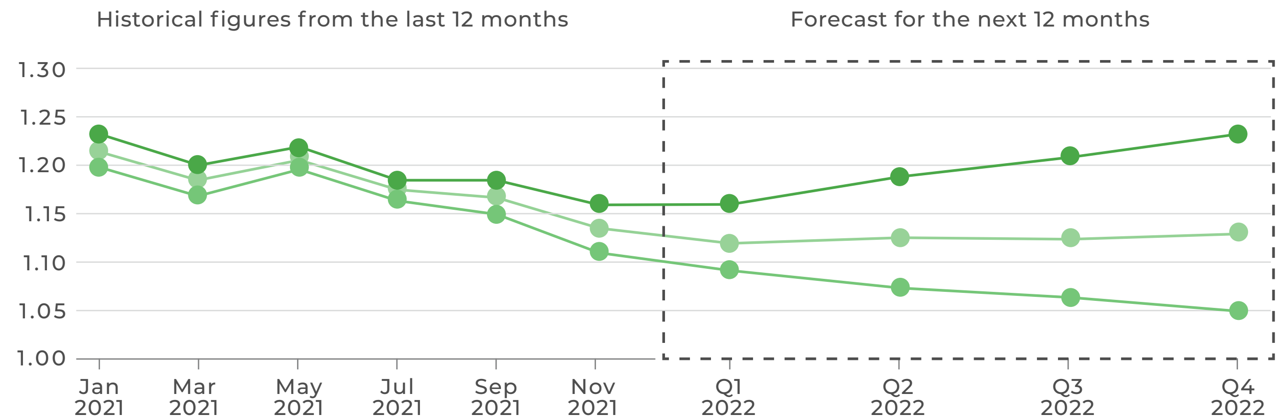
## GBP/USD




## GBP/EUR




## EUR/USD




MAXIMUM RATE | MINIMUM RATE | AVERAGE RATE

SOURCE: BLOOMBERG. ACCURATE AS OF 10TH JANUARY 2022.



# SUMMARY

Like the beginning of last year, 2022 has started on uncertain ground with a hint of cautious optimism.

The UK has faced a challenging winter with the surge of the Omicron variant placing strains onto both businesses and individuals. However, the pound has, so far, benefitted from the news that we are "riding the wave" of Omicron, with minimal restrictions placed on our daily lives.

But how long will sterling's strength last? With cases still high, only time will tell if the Prime Minister's strategy works.

As well as the pandemic, Brexit will bring further economic disruption this year as new trade restrictions are introduced. These fresh controls on UK imports could disrupt supply lines that are only just recovering from the issues of 2021.

Despite implementing an unexpected interest rate hike in December, the Bank of England ("BoE") still faces a catch-22 situation. Increasing rates again could be damaging for economic recovery. Equally, inaction could cause inflation to surge once more. All eyes will be on upcoming monetary policy meetings.

Central banks across the globe face a similar quandary of whether to tame unruly inflation or safeguard economic growth. The European Central Bank ("ECB") continues its slow and steady approach, whilst in contrast, the Federal Reserve ("Fed") aims to wrap up its bond-buying programme by March.

The decisions made by these central banks will continue to impact currencies over the coming quarter, especially if any unexpected actions materialise.

Amidst ongoing uncertainty, we hope that this document will reassure you that measures can be taken to protect your business. We encourage you to look at our section at the back for more information about how we can help.

> "The only thing that we learn from history is that we learn nothing from history."
> Georg Hegel, Philosopher

# UK - BANK OF ENGLAND

The Bank of England raised the UK's interest rate to 0.25% in December for the first time in three years. Despite news that UK inflation reached a 10-year high in November, many thought that the impact of Omicron on the UK economy would lead officials to keep the rate on hold, and the unexpected hike was criticised as a "panic move" by some.

Since the decision to raise the interest rate, the pound has performed well on growing expectations that there will be more hikes in 2022. The BoE's actions contrast dramatically with the European Central Bank's cautious approach, meaning that sterling has been given room to surge against the euro.

The Bank of England will consider the state of economic recovery and inflation ahead of upcoming interest rate decisions. Officials forecast that inflation will reach around 6% by spring 2022, which is triple the BoE's target. However, this is paired with an outlook for slower growth and an increase in trade friction due to new Brexit rules.

Despite expectations that UK GDP will suffer due to the Omicron variant, many investors believe that the Bank of England will implement a series of interest rate hikes this year. However, whether these go ahead or not depends on several factors, including the ever-changing, unpredictable course of the pandemic.

# COVID-19

News that the Prime Minister decided against further pandemic-induced restrictions in England at the beginning of January boosted the pound and increased expectations for a February interest rate hike. Omicron cases in the UK are now beginning to fall and hospital admissions have plateaued overall, which has supported sterling further. However, the numbers will continue to be monitored closely. There are concerns that the fall in cases is partly due to people struggling to get access to tests and if hospital admissions are looked at on a regional level, trends vary across the UK. The fear also remains that a greater number of older people could contract the virus, although case numbers in the over-60s are currently falling.



# BREXIT

As of the beginning of this year, new customs controls have come into place due to Brexit. In 2021, HMRC allowed for a 175-day delay on companies submitting customs declarations. However, this delay is no longer permitted, meaning that all checks and forms must be completed at least four hours before goods arrive on UK shores. These new rules are expected to cause delays and some UK businesses say they have no choice but to raise prices on goods due to trade with the EU becoming increasingly difficult. This has the potential to cause supply chain chaos in the coming months and hinder economic growth.

# OUR STRATEGIST'S ANALYSIS

The pound's pre-Christmas rally has extended into the new year driven by a decrease in fear over the severity of the Omicron variant and the surprise December BoE rate hike. This does not come without concern, however. As the market has priced in further rate hikes, a divergence from market expectation could lead to significant movement in sterling's value. Inflation remains a key focal point with energy costs still high. Next and Greggs Plc's recent announcements of price hikes is a further indicator of the wider strain on businesses needing to cover rising costs and the knock-on effect this has on consumers is clear.

| ECONOMIC INDICATOR | DATA | REFERENCE |
|---|---|---|
| **Interest rate** | 0.25% | Dec/21 |
| **Inflation rate** | 5.4% | Dec/21 |
| **Unemployment rate** | 4.2% | Oct/21 |
| **GDP growth rate** | 1.1% | Sep/21 |

# EU - EUROPEAN CENTRAL BANK

The European Central Bank began this year celebrating 20 years of the euro – but how might the ECB's actions impact the single currency during the coming months?

The Pandemic Emergency Purchase Programme (PEPP), introduced to help the eurozone cope with the pandemic, has been cut back and is expected to end in March. However, monetary policy measures from the ECB are still very much in action, with its Asset Purchase Programme ramping up.

This slow and gradual approach to phasing out monetary support differs from most other central banks, such as the Bank of England and Federal Reserve. At the end of last year, the President of the ECB, Christine Lagarde, said that monetary support needs to be withdrawn "step by step" and that "flexibility and optionality" need to be maintained.

The ECB continues to take a relaxed view towards rising inflation, treating it as 'transitory'. It is taking a more cautious, 'dovish' approach to monetary policy, believing that support should be withdrawn gradually to cope with economic uncertainty as the pandemic continues.

The euro is likely to respond to any news or rhetoric surrounding monetary policy, particularly the upcoming end to PEPP. If there is any suggestion that the phasing out of this programme will accelerate due to inflationary pressures or economic improvements, then the single currency could benefit.

## INFLATION

Inflation in the eurozone has been on the rise and reached a multi-decade high of 5% in December. This was mainly driven by higher energy prices. It is thought that energy inflation has now peaked, so the overall inflation figure could ease going forward. However, economists predict that inflation will stay above target for the rest of the year and many question whether the European Central Bank should be taking a more aggressive approach to combating it. If inflation continues to rise or doesn't subside as much as expected, the ECB could be forced to take action.

## COVID-19

Amid the spread of the Omicron variant, restrictions have been implemented across many European countries, including limitations on unvaccinated individuals. Despite this, there is general optimism about Europe's economic recovery due to vaccine rollouts and monetary support. Germany, Spain, Greece and Hungary are among those already opening up their vaccination drives to children, and other countries have begun following suit. Retail sales in Germany unexpectedly increased in November, despite new restrictions, and although the eurozone's December Purchasing Manager's Index shows that economic growth slowed to a nine-month low, it also revealed that business optimism remains resilient.

## OUR STRATEGIST'S ANALYSIS

The ECB is by far the most 'dovish' of the three central banks that we're focussing on. It announced in December a cautious start to its tapering of bond purchases. At the time of writing, this has had a limited positive impact for the euro against the pound and US dollar, and rate hikes are still expected to be some way down the line. December also saw an unexpected record for inflation in the eurozone at 5% versus the estimated 4.8%. The ECB insists this is temporary and the major driver for this rise has been energy costs. The lack of certainty over how the ECB will continue to respond to rising inflation could lead to further volatility for the euro.

| ECONOMIC INDICATOR | DATA | REFERENCE |
|---|---|---|
| **Interest rate** | 0.0% | Dec/21 |
| **Inflation rate** | 5% | Dec/21 |
| **Unemployment rate** | 7.2% | Nov/21 |
| **GDP growth rate** | 2.2% | Sep/21 |

# US - FEDERAL RESERVE

The dollar strengthened following the release of the Federal Reserve's meeting minutes at the beginning of January. The minutes revealed that officials were worried about rising inflation and said that it "had been higher and more persistent than previously anticipated".

As well as expressing concerns about rising inflation, officials also acknowledged that the labour market was strong. These factors have increased expectations for an interest rate rise in March. If interest rates are hiked, this would make way for the reduction of the Fed's balance sheet, which is currently large due to bond purchases that have supported the economy throughout the pandemic.

However, while officials said that they are ready to speed up the tapering of monetary policy, the details around how soon and how fast remain unclear. Economic data released before March will play a significant role in determining the Fed's next move.

The minutes also revealed that officials unanimously expect that interest rates will need to be raised this year, which marked a change from September's meeting when only half predicted rate hikes in 2022. The markets will be listening closely for clues on timings and any further rhetoric surrounding interest rates.

# COVID-19

In early January, the US recorded more than one million new COVID-19 cases in a single day, with experts warning that the Omicron peak is yet to come. Schools in some districts didn't reopen after Christmas and hospital admissions are rising. US pandemic adviser Dr Anthony Fauci said the country was experiencing "almost a vertical increase" and President Biden has urged Americans to get vaccinated. The coming weeks should reveal how damaging this surge will be for the US and whether restrictions will be introduced to curb the spread. If concerns over Omicron increase, this could benefit the US dollar due to its 'safe-haven' status.




# ECONOMY

Despite optimism about the labour market from Federal Reserve policymakers, the latest non-farm payrolls report showed that the US economy added just 199,000 in December, below market forecasts of 400,000. Employment is also still down compared to pre-pandemic levels. However, employment is continuing in an upward trend, unemployment has dropped, and the US economy added a record number of jobs in early January. December's non-farm payroll report pre-dates the surge of Omicron Covid cases in the US, so there is still uncertainty surrounding the impact on the labour market. All eyes will be on the next report and upcoming economic data.

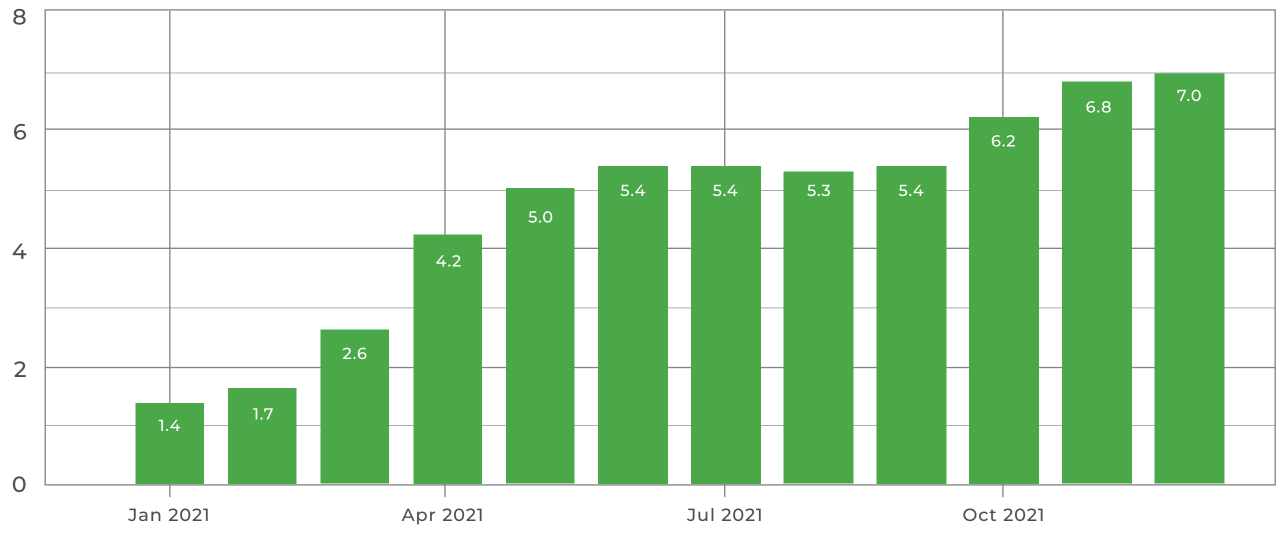
# OUR STRATEGIST'S ANALYSIS

The end of 2021 saw a strengthening of the dollar as the Fed pivoted to a much stronger 'hawkish' stance and the US economy continued to show signs of recovery. The euro and Japanese yen felt the full brunt of this, weakening significantly against the dollar. However, the dollar has softened into the new year and there is still no clear insight into how far the Fed could go with rate hikes. As with other currencies, the economic recovery in the US will be the key focus, and if inflation exceeds expectations or job numbers fall short, then there could be additional volatility for the dollar.

| ECONOMIC INDICATOR | DATA | REFERENCE |
|---|---|---|
| **Interest rate** | 0.25% | Dec/21 |
| **Inflation rate** | 7% | Dec/21 |
| **Unemployment rate** | 3.9% | Dec/21 |
| **GDP growth rate** | 2.3% | Sep/21 |

# OUR STRATEGIST'S KEY CHARTS TO WATCH

## US CPI 2021



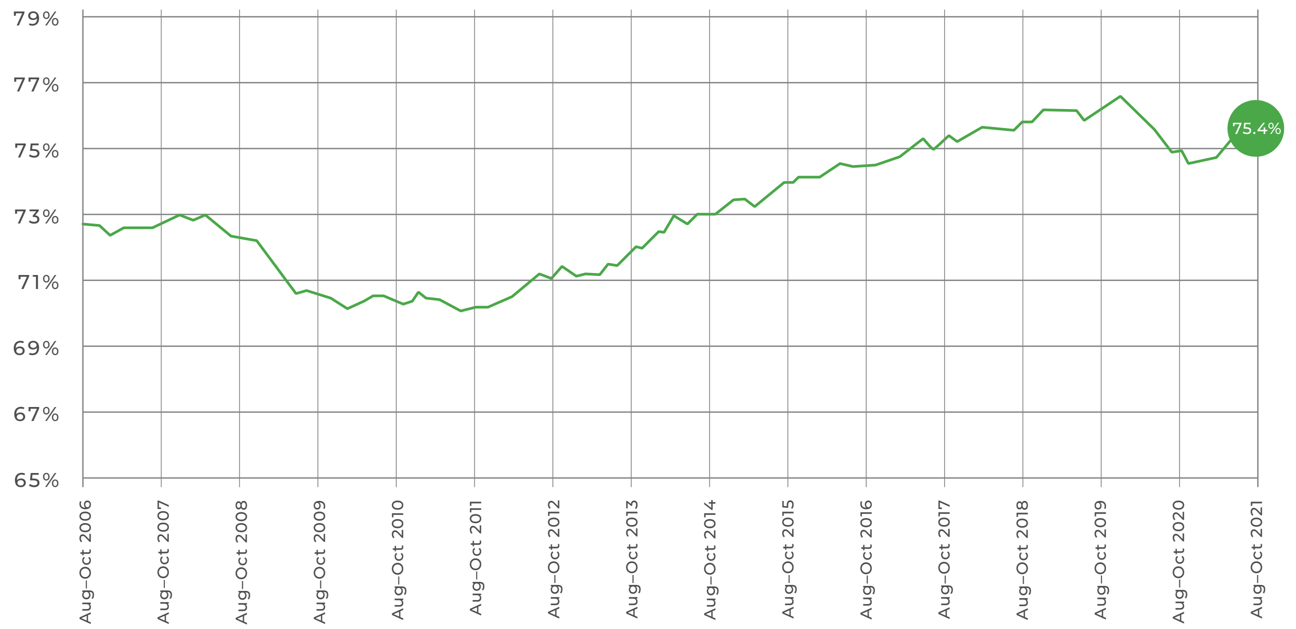

SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

The consumer price index is a measure of the cost of goods year-on-year and is used as a key indicator for inflation. The 2021 index rose 7% YoY, which is the largest rise for nearly 40 years. This bolsters expectations for the Federal Reserve to begin to raise interest rates over the course of 2022.

The rise from the November measure exceeded forecasts with an increase of 0.5%. Core prices, excluding food and energy, were the main drivers rising by 0.6%, with energy prices actually falling slightly month-on-month. All eyes will be on the Fed's reaction over the next few months and could lead to volatility for the US Dollar.



## UK EMPLOYMENT LEVEL




The UK employment rate estimate for August to October remains lower than pre-covid levels by around 1.1% but did increase by 0.4% from the previous quarter. This has been coupled with a 0.4% reduction in the unemployment rate to 4.2%, indicating that the UK economy continues to heal. The true impact of the Omicron variant with the pre-Christmas surge is yet to be seen, however, and the impact of this on businesses and jobs will likely create uncertainty in the currency markets.

> "Every man's life lies within the present; for the past is spent and done with, and the future is uncertain."
> Marcus Aurelius, Roman Emperor

# GLOBAL CURRENCIES

## POLISH ZLOTY

It was a fairly tumultuous end to 2021 for the Polish zloty (PLN). Other Central and Eastern European countries, such as Hungary and the Czech Republic, had taken greater measures to tackle inflation than Polish policymakers. However, at the beginning of January, Poland's central bank raised interest rates in a bid to tackle rising inflation, which surged to a two-decade high in November. Officials decided to raise the main rate by 50 basis points to 2.25%, prompting the zloty to strengthen. The central bank has signalled that there may be more interest rate hikes to follow, which could continue to be beneficial for the Polish currency.

## CANADIAN DOLLAR

The Bank of Canada is set to continue its 'hawkish' tone into 2022, with the market expecting four interest rate hikes this year. These expectations have been backed by crude oil prices, which have been rising throughout 2021. As well as this, Canada's employment levels are now above pre-covid levels and are outperforming the US, giving the Bank of Canada impetus to hike rates. However, Canada started the new year with five days straight of record new covid cases with a 9% rise in hospitalizations in Quebec. The Canadian dollar (CAD) has been susceptible to crude oil movements and COVID-19 news, and this could continue over the coming months.

## SINGAPORE DOLLAR

Singapore's economy has been able to sustain momentum despite tighter Covid restrictions. It saw a 2.6% growth quarter-on-quarter in the fourth quarter of last year and a 7.2% growth for 2021, growing at its fastest pace since 2010. This growth was driven by manufacturing and services sectors, as well as high vaccination rates, with 87% of the population fully vaccinated. Despite this, the Monetary Authority of Singapore tightened monetary policy ahead of schedule last year, due to rising inflation. The Singapore dollar (SGD) weakened slightly against the dollar over the last quarter.

> "Changes occur and expectations change. Reality brings new possibilities, while destroying some too. It's true: the future is uncertain."
>
> Innocent Mwatsikesimbe, Author



# STERLING SINCE 2016: THE HIGHS AND LOWS

During January 2022, the pound has been close to recovering its highest point since the referendum. What have been the highs and lows since then, and why?

## 2016-2017

After the referendum result in 2016, sterling experienced its largest fall within a single day in 30 years. In 2017, further unforeseeable events weakened the pound.

The early general election in 2017, which resulted in a hung Parliament, caused the pound to experience one of its largest falls against the euro. Prime Minister Theresa May called this election to 'strengthen her hand' for upcoming Brexit negotiations, but instead her small majority in the House of Commons was lost, despite the polls consistently predicting otherwise.

## 6 EVENTS THAT MOVED THE POUND IN 2019

Sterling then went on to hit new lows against the euro and the dollar in August 2019. This was a volatile year of political uncertainty with many unforeseen outcomes:

**March** – MPs reject Withdrawal Agreement again – pound down

**June** – Theresa May stands down – pound up

**July** – Boris Johnson appointed Prime Minister – pound down

**August** – Queen approves prorogation of Parliament – pound down

**October** - EU leaders agree to 'flextension' until January – pound up

**December** – Conservatives win General Election – pound up

## 2020-2021

In February 2020, the pound hit €1.20 due to a mixture of poor data from the eurozone with disappointing growth and forecasts, plus Rishi Sunak taking over as Chancellor. However, just a month later the pound was at €1.06 and $1.15 as COVID-19 began to affect lives in the UK and across the globe.

The course of the pandemic continues to have a significant impact on the currency markets. This was evident throughout 2021 when sterling was worth as little as €1.10 and as much as €1.19 against the euro. Against the dollar, it moved between $1.32 and $1.41.

The GBP/EUR exchange rate fluctuated by 8% last year. So, if a business had to buy £1m worth of euros, the difference between the highest and lowest exchange rate would be €90k.

## 'BLACK SWAN' EVENTS

In short, the pound has fluctuated since 2016 due to a number of 'black swan' events that could not be foreseen by anyone, not even the major banks.

A 'black swan' event is one that takes everyone by surprise at the time, but makes complete sense in retrospect. The past six years has seen a bevy of black swans in politics, the economy and, of course, health. These have all impacted the currency markets severely.

So while sterling started 2022 a mere fraction off its highest point since the referendum in mid-2016, for anyone making a significant transaction this year, the past six years offers a salutary warning on the unpredictability of major exchange rate movements and the need to protect your business and plans.

# MAJOR BANK CURRENCY FORECASTS

| 2022 MAJOR BANK FORECASTS - GBP/USD | | | | |
|---|---|---|---|---|
| INSTITUTE | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
| Barclays | 1.33 | 1.37 | 1.40 | 1.42 |
| BNP Paribas | 1.35 | 1.35 | 1.35 | 1.33 |
| Commerzbank | 1.33 | 1.33 | 1.33 | 1.33 |
| Danske Bank | 1.32 | 1.32 | 1.32 | 1.32 |
| ING Finance | 1.37 | 1.36 | 1.34 | 1.34 |
| JP Morgan Chase | 1.31 | 1.30 | 1.31 | 1.32 |
| Morgan Stanley | 1.34 | 1.34 | 1.36 | 1.38 |
| Median | 1.34 | 1.35 | 1.36 | 1.37 |
| Minimum | 1.26 | 1.22 | 1.20 | 1.19 |
| Maximum | 1.40 | 1.43 | 1.46 | 1.48 |

| 2022 MAJOR BANK FORECASTS - GBP/EUR | | | | |
|---|---|---|---|---|
| INSTITUTE | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
| Barclays | 1.15 | 1.16 | 1.18 | 1.19 |
| BNP Paribas | 1.19 | 1.20 | 1.20 | 1.22 |
| Commerzbank | 1.20 | 1.22 | 1.23 | 1.23 |
| Danske Bank | 1.18 | 1.19 | 1.19 | 1.19 |
| ING Finance | 1.19 | 1.20 | 1.20 | 1.22 |
| JP Morgan Chase | 1.19 | 1.19 | 1.20 | 1.20 |
| Morgan Stanley | 1.19 | 1.19 | 1.18 | 1.16 |
| Median | 1.19 | 1.19 | 1.19 | 1.19 |
| Minimum | 1.14 | 1.11 | 1.11 | 1.10 |
| Maximum | 1.25 | 1.27 | 1.27 | 1.28 |



| 2022 MAJOR BANK FORECASTS - EUR/USD | | | | |
|---|---|---|---|---|
| INSTITUTE | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
| Barclays | 1.16 | 1.18 | 1.19 | 1.19 |
| BNP Paribas | 1.13 | 1.12 | 1.11 | 1.09 |
| Commerzbank | 1.10 | 1.09 | 1.08 | 1.08 |
| Danske Bank | 1.12 | 1.11 | 1.11 | 1.10 |
| ING Finance | 1.15 | 1.13 | 1.11 | 1.10 |
| JP Morgan Chase | 1.10 | 1.09 | 1.09 | 1.10 |
| Morgan Stanley | 1.13 | 1.12 | 1.15 | 1.18 |
| Median | 1.12 | 1.12 | 1.13 | 1.15 |
| Minimum | 1.09 | 1.07 | 1.06 | 1.05 |
| Maximum | 1.16 | 1.19 | 1.21 | 1.23 |

*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 10 JANUARY 2022.

# 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 difficult and time-consuming, but SmartHedge makes this easier. Considering the volatility and fast-paced nature of the currency markets, 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 BENEFIT YOUR BUSINESS?

**VALUATIONS:** Our platform provides daily valuations, giving you visibility and consolidation on your hedging positions. Your current position is therefore readily available for you to view at any time.

**SENSITIVITY ANALYSIS:** Our platform gives you a clear view of your current strategy as well as potential market shifts, so you can make informed reviews and adjustments.

**REPORTING:** Clear and concise reports are readily available for key decision making. Preparations for audits, board reports and internal meetings are made quick and easy by using our platform to pull the required reports. Time-consuming spreadsheets become a thing of the past.

**The reports that can be generated include:**

**Strategic reports** – Provides details of your FX exposure, scenario analysis and your performance against alternative approaches to hedging.

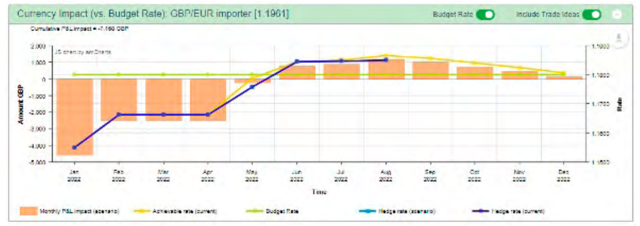
**Administration reports** – Gives you visibility of your transactions and upcoming obligations/cash flows.

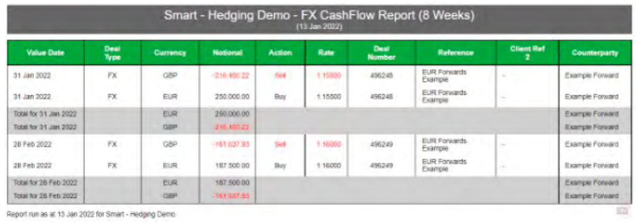
**Compliance reporting** – Shows details used in valuation calculations, changes in mark-to-market valuation, policy management and visibility of outstanding forwards and options.

## QUICK AND EASY TO USE

Created with our clients at front of mind, SmartHedge is both simple and intuitive.

- It's quick to set up, requiring no installation of software or servers – all cloud-based.
- The platform provides an overview of your entire position, giving you clear visibility of dealings with all counterparties and cash-flows with all suppliers and customers, to help you make more informed decisions.
- You'll also have 24-hour access from anywhere, enabling you to work in your own time and in your own space.



Smart - Hedging Demo - FX CashFlow Report (8 Weeks)
(13 Jan 2022)

| Value Date | Deal Type | Currency | Notional | Action | Rate | Deal Number | Reference | Client Ref 2 | Counterparty |
|---|---|---|---|---|---|---|---|---|---|
| 31 Jan 2022 | FX | GBP | -216,450.22 | Sell | 1.15500 | 496248 | EUR Forwards Example | - | Example Forward |
| 31 Jan 2022 | FX | EUR | 250,000.00 | Buy | 1.15500 | 496248 | EUR Forwards Example | - | Example Forward |
| Total for 31 Jan 2022 | | EUR | 250,000.00 | | | | | | Example Forward |
| Total for 31 Jan 2022 | | GBP | -216,450.22 | | | | | | Example Forward |
| 28 Feb 2022 | FX | GBP | -161,637.93 | Sell | 1.16000 | 496249 | EUR Forwards Example | - | Example Forward |
| 28 Feb 2022 | FX | EUR | 187,500.00 | Buy | 1.16000 | 496249 | EUR Forwards Example | - | Example Forward |
| Total for 28 Feb 2022 | | EUR | 187,500.00 | | | | | | Example Forward |
| Total for 28 Feb 2022 | | GBP | -161,637.93 | | | | | | Example Forward |

Report run as at 13 Jan 2022 for Smart - Hedging Demo

> **"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

## SECURITY

Our cloud-based platform uses tried and tested security practices to ensure that your data remains secure and confidential.

- Transactions are protected by SSL protocols, which encrypt all information sent to or from the platform.
- Valuations and reporting are isolated from the front-end. Enterprise level architecture ensures data privacy and protection.

## WHAT DO WE NEED FROM YOU?

There are a few simple actions that your business will have to take to get set up on the platform:

- Registration with Smart Currency Business to ensure GDPR compliance
- Provide a copy of your outstanding cash flows and hedges

This will allow us to build your portfolio and reports for you, giving you access to the relevant valuations and analyses.

In short, SmartHedge provides all the information needed to protect your business's bottom line and maximise profit. Having this data laid out in a simple and easily accessible format will allow you to make quick and informed decisions about your hedging strategy and foreign exchange exposure, as well as manage your day-to-day currency exposures with practical and easy to use features.

### Request your demo and a 10-minute product tour of SmartHedge

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

**020 3733 7402**

**support@smartcurrencybusiness.com**


SPECIAL FEATURE

# 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**

## COPYRIGHT AND DISCLAIMER



smart CURRENCY BUSINESS

Business Moneyfacts Awards 2022 FINALIST

**Nominated finalists** in the following categories at the 2021 Business Moneyfacts Awards:

✓ **Best Business FX Provider**