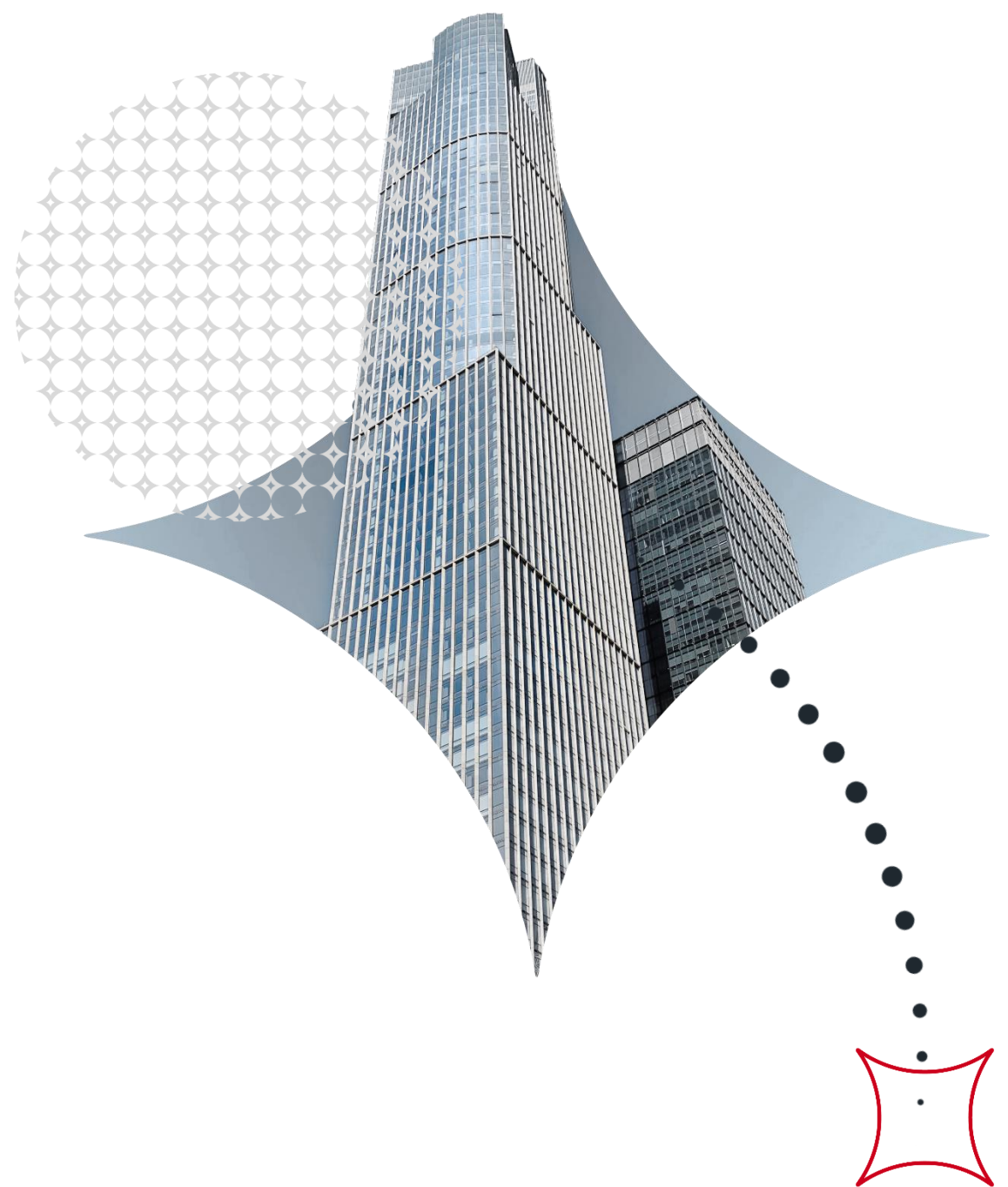




Managing the risk and volatility associated with the FX markets



# Agenda

- Market update
- Looking forward
- FX forecasts
- Moneycorp client scenarios
- The cost of FX volatility
- Q&A

# Panel



Max Huseyin  
Senior Partnerships  
Account Manager



Joseph Calnan  
Dealing Manager



Krissy Rogero  
Head of Corporate  
Partnerships



Greg Taylor  
Partner – Head of  
Banking and  
Finance

# ✦ Located globally

Located worldwide we have 14 offices that locally serve and support our customers:

## World Offices

UK  
Ireland  
France  
Spain  
Romania  
Dubai  
Hong Kong  
Brazil

## US Offices

San Francisco  
Los Angeles  
Providence  
New York  
Washington  
Florida



1979

Established in  
1979



£37.7 bn

Traded in 2021



1m+

payments  
made to  
192 countries  
in 2021



450+

dedicated  
employees serving  
our customers  
worldwide



2

banking  
licenses



# A quick look back...



# ◆ Key Risks Ahead



Short-Term  
(October 2022)

UK & US GDP & inflation

UK Government  
Medium-Term Fiscal  
Plan announcement

Medium-Term  
(Now to Q2 2023)

Russia-Ukraine war

Energy crisis in Europe  
& UK

Long-Term  
(Now to end of 2023)

Global recession

Interest rate divergence



# October Risk Event Calendar

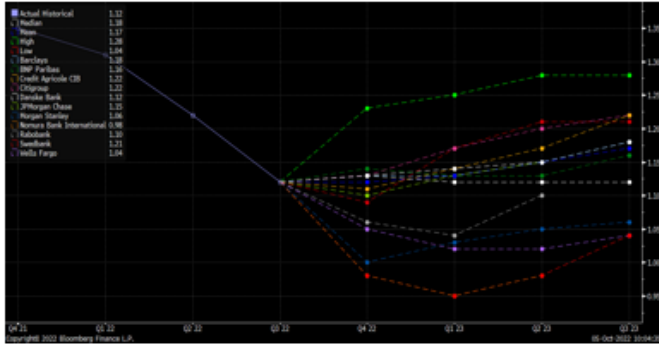
Date (All Oct)	Time (UK)	Country	Description
Tue 11th	7:00am	UK	Employment & Wage data (released)
Wed 12th	7:00am	UK	GDP growth data (released)
Wed 12th	7:00pm	US	US Federal Reserve meeting minutes
Thu 13th	1:30pm	US	CPI Inflation data
Wed 19th	7:00am	UK	CPI Inflation data
Thu 20th	8:30am	EU	French & German Services & Manufacturing data
Thu 20th	9:30am	UK	Services & Manufacturing data
Fri 21st	7:00am	UK	Retail Sales data
Wed 26th	3:00pm	CA	Bank of Canada meeting
Thu 27th	1:15pm	EU	European Central Bank meeting
Thu 27th	1:30pm	US	GDP growth data
Fri 28th	Early AM	JP	Bank of Japan meeting
Mon 31st	TBC	UK	UK Government Medium-Term Fiscal Plan



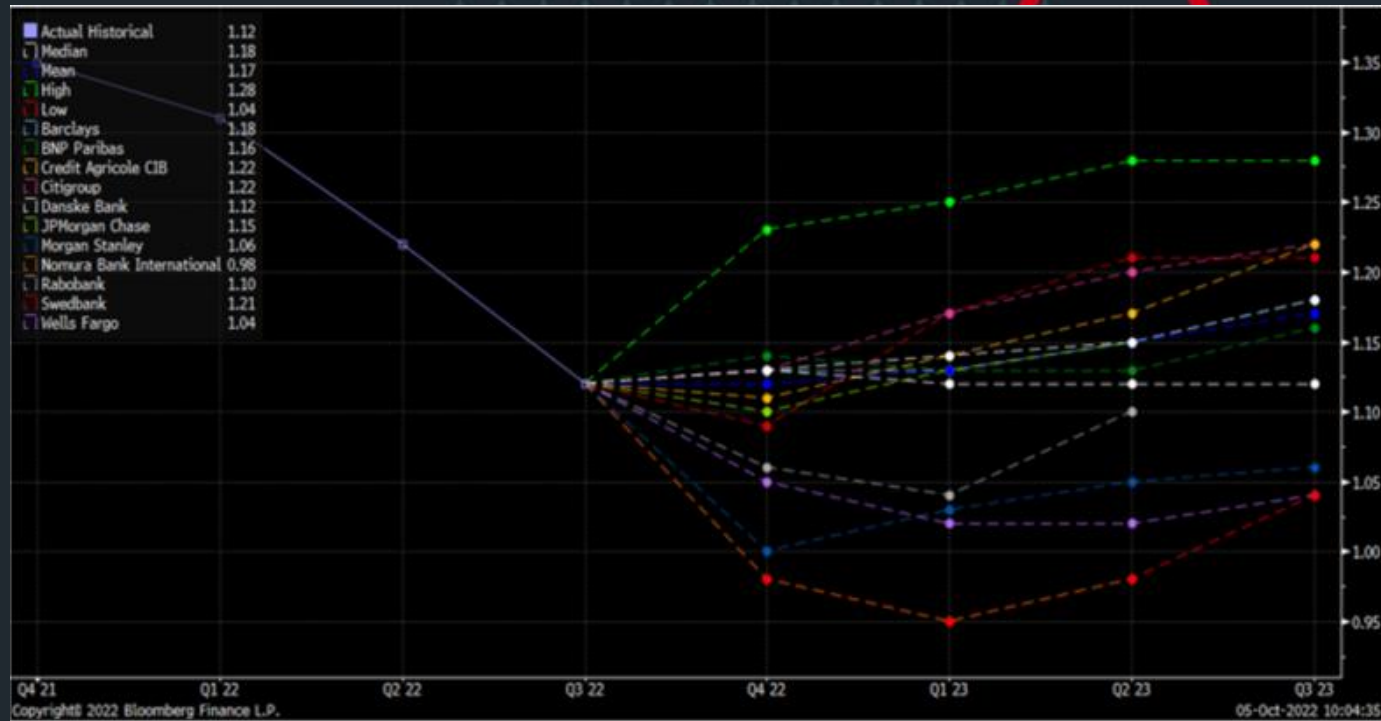
## Central Bank Meeting Summary

Date	Country	Central Bank	Current Target Interest Rate	Potential Interest Rate Change	Probability of Rate Change	Potential Interest Rate Change	Probability of Rate Change
26th Oct	CA	Bank of Canada	3.25%	+0.50%	23%	+0.75%	77%
27th Oct	EU	European Central Bank	0.75%	+0.50%	82%	+0.75%	18%
28th Oct	JP	Bank of Japan	-0.10%	No change	94%	+0.10%	6%
1st Nov	AU	Reserve Bank of Australia	2.60%	No change	15%	+0.25%	85%
2nd Nov	US	US Federal Reserve	3.25%	+0.50%	8%	+0.75%	92%
3rd Nov	UK	Bank of England	2.25%	+1.00%	32%	+1.25%	68%
23rd Nov	NZ	Reserve Bank of New Zealand	3.50%	+0.50%	77%	+0.75%	24%
24th Nov	SE	Swedish Riksbank	1.75%	+0.50%	22%	+0.75%	78%
7th Dec	IN	Reserve Bank of India	5.90%	+0.25%	41%	+0.50%	59%

# GBP/USD



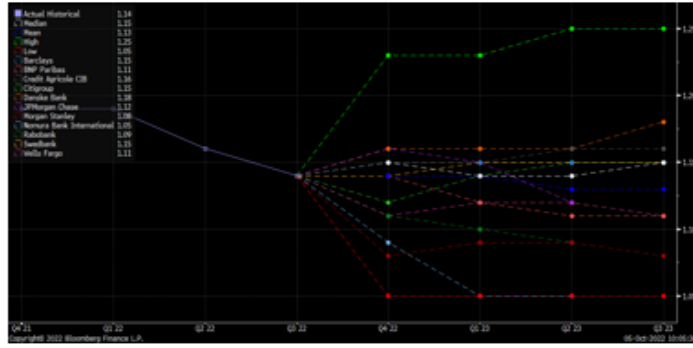
		Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026
Median		1.14	1.17	1.18	1.20	1.22	1.30	1.28	--
Mean		1.13	1.15	1.16	1.18	1.20	1.28	1.29	--
High		1.23	1.25	1.28	1.28	1.29	1.33	1.36	--
Low		1.00	1.02	1.02	1.04	1.06	1.21	1.25	--
Forward		1.10	1.10	1.10	1.10	1.09	1.08	1.07	1.06
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	1.06	1.04	1.10	--	1.37	1.39	1.41	--
Barclays	09/28/22	1.13	1.13	1.15	1.18	1.21	1.23	1.25	1.28
Credit Agricole CIB	09/28/22	1.11	1.14	1.17	1.22	1.26	--	--	--
Wells Fargo	09/28/22	1.05	1.02	1.02	1.04	1.06	--	--	--
Nomura Bank International	09/27/22	1.06	1.09	1.12	--	1.17	--	--	--
Morgan Stanley	09/26/22	1.00	1.03	1.05	1.06	1.07	--	--	--
Danske Bank	09/23/22	1.13	1.12	1.12	1.12	--	--	--	--
Swedbank	09/23/22	1.09	1.17	1.21	1.21	1.28	1.30	--	--
JPMorgan Chase	09/22/22	1.10	1.13	1.15	--	1.16	--	--	--
Citigroup	09/20/22	1.13	1.17	1.20	1.22	1.23	--	--	--
BNP Paribas	09/15/22	1.14	1.13	1.13	1.16	1.18	--	--	--



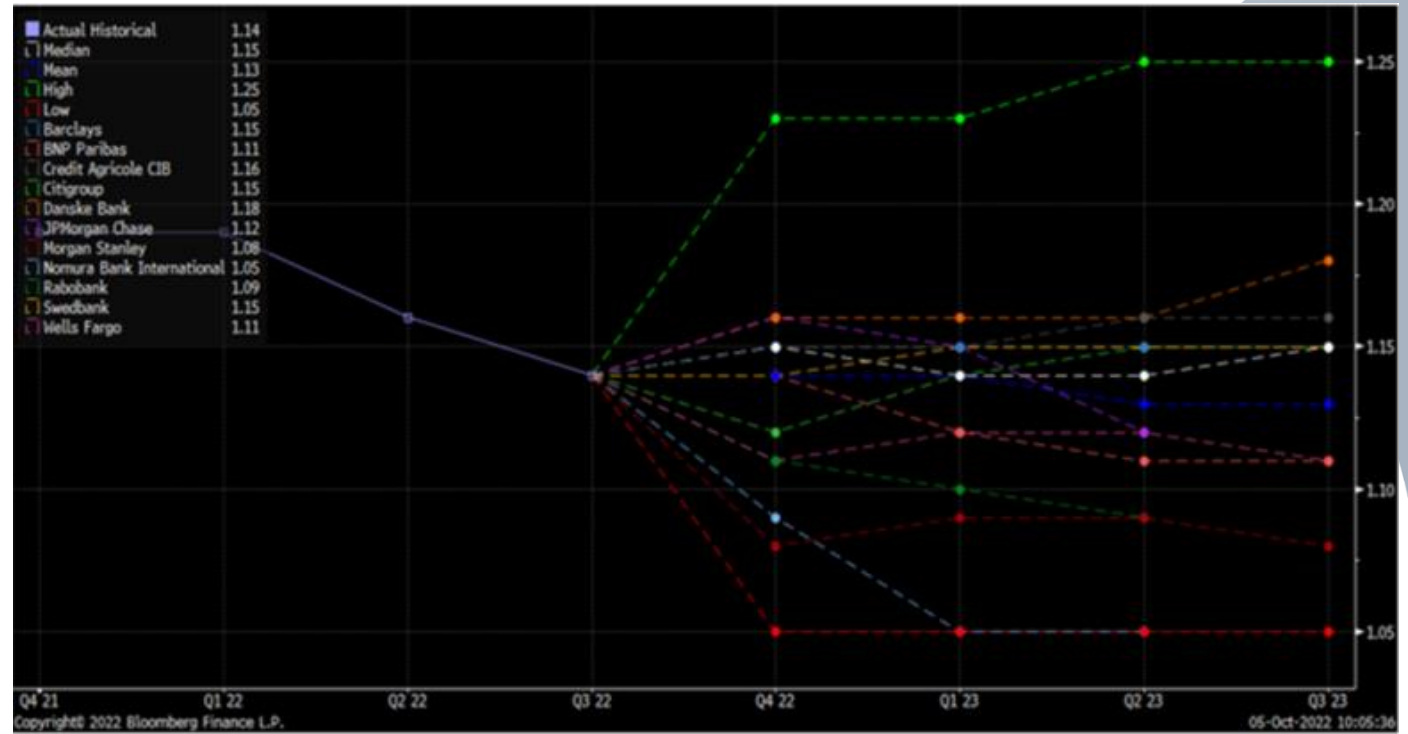
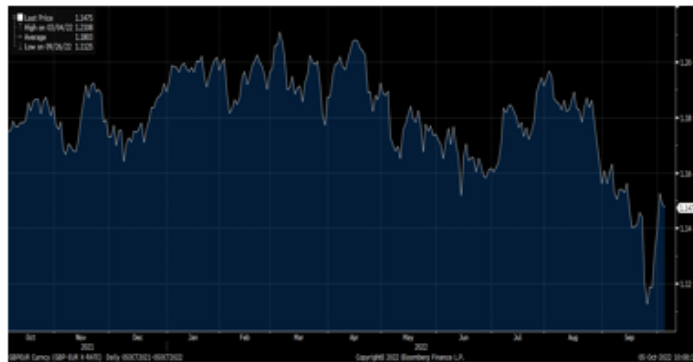
		Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026
Median		1.14	1.17	1.18	1.20	1.22	1.30	1.28	--
Mean		1.13	1.15	1.16	1.18	1.20	1.28	1.29	--
High		1.23	1.25	1.28	1.28	1.29	1.33	1.36	--
Low		1.00	1.02	1.02	1.04	1.06	1.21	1.25	--
Forward		1.10	1.10	1.10	1.10	1.09	1.08	1.07	1.06
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	1.06	1.04	1.10	--	1.37	1.39	1.41	--
Barclays	09/28/22	1.13	1.13	1.15	1.18	1.21	1.23	1.25	1.28
Credit Agricole CIB	09/28/22	1.11	1.14	1.17	1.22	1.26	--	--	--
Wells Fargo	09/28/22	1.05	1.02	1.02	1.04	1.06	--	--	--
Nomura Bank International	09/27/22	1.06	1.09	1.12	--	1.17	--	--	--
Morgan Stanley	09/26/22	1.00	1.03	1.05	1.06	1.07	--	--	--
Danske Bank	09/23/22	1.13	1.12	1.12	1.12	--	--	--	--
Swedbank	09/23/22	1.09	1.17	1.21	1.21	1.28	1.30	--	--
JPMorgan Chase	09/22/22	1.10	1.13	1.15	--	1.16	--	--	--
Citigroup	09/20/22	1.13	1.17	1.20	1.22	1.23	--	--	--
BNP Paribas	09/15/22	1.14	1.13	1.13	1.16	1.18	--	--	--



# GBP/EUR

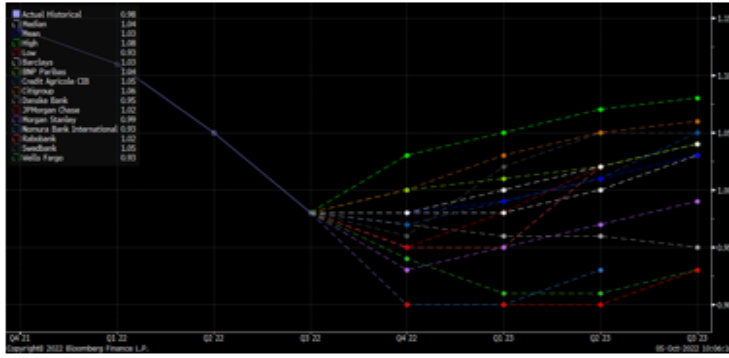


	Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026	
Median	1.16	1.15	1.15	1.15	1.15	1.15	1.14	--	
Mean	1.16	1.15	1.14	1.14	1.14	1.15	1.14	--	
High	1.23	1.23	1.25	1.25	1.25	1.18	1.16	--	
Low	1.05	1.05	1.05	1.06	1.05	1.11	1.12	--	
Forward	1.12	1.11	1.10	1.10	1.09	1.06	1.04	1.02	
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	1.11	1.10	1.09	--	1.16	1.18	1.18	--
Barclays	09/28/22	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Credit Agricole CIB	09/28/22	1.15	1.15	1.16	1.16	1.18	--	--	--
Wells Fargo	09/28/22	1.11	1.12	1.12	1.11	1.11	--	--	--
Nomura Bank International	09/27/22	1.18	1.20	1.20	--	1.20	--	--	--
Morgan Stanley	09/26/22	1.08	1.09	1.09	1.08	1.06	--	--	--
Danske Bank	09/23/22	1.16	1.16	1.16	1.18	--	--	--	--
Swedbank	09/23/22	1.14	1.15	1.15	1.15	1.16	1.16	--	--
JPMorgan Chase	09/22/22	1.16	1.15	1.12	--	1.12	--	--	--
Citigroup	09/20/22	1.12	1.14	1.15	1.15	1.15	--	--	--
BNP Paribas	09/15/22	1.14	1.12	1.11	1.11	1.11	--	--	--

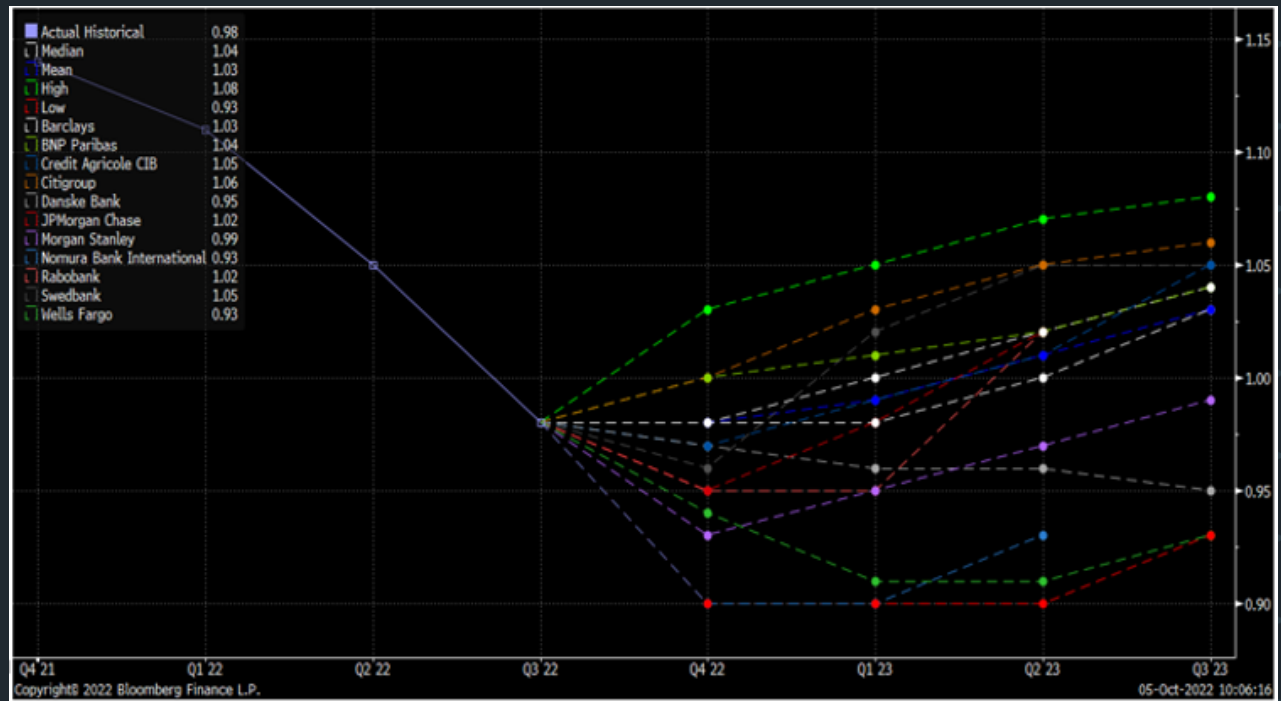


	Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026	
Median	1.16	1.15	1.15	1.15	1.15	1.15	1.14	--	
Mean	1.16	1.15	1.14	1.14	1.14	1.15	1.14	--	
High	1.23	1.23	1.25	1.25	1.25	1.18	1.16	--	
Low	1.05	1.05	1.05	1.06	1.05	1.11	1.12	--	
Forward	1.12	1.11	1.10	1.10	1.09	1.06	1.04	1.02	
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	1.11	1.10	1.09	--	1.16	1.18	1.18	--
Barclays	09/28/22	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Credit Agricole CIB	09/28/22	1.15	1.15	1.16	1.16	1.18	--	--	--
Wells Fargo	09/28/22	1.11	1.12	1.12	1.11	1.11	--	--	--
Nomura Bank International	09/27/22	1.18	1.20	1.20	--	1.20	--	--	--
Morgan Stanley	09/26/22	1.08	1.09	1.09	1.08	1.06	--	--	--
Danske Bank	09/23/22	1.16	1.16	1.16	1.18	--	--	--	--
Swedbank	09/23/22	1.14	1.15	1.15	1.15	1.16	1.16	--	--
JPMorgan Chase	09/22/22	1.16	1.15	1.12	--	1.12	--	--	--
Citigroup	09/20/22	1.12	1.14	1.15	1.15	1.15	--	--	--
BNP Paribas	09/15/22	1.14	1.12	1.11	1.11	1.11	--	--	--

# EUR/USD



	Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026	
Median	0.98	1.01	1.03	1.05	1.06	1.11	1.15	1.11	
Mean	0.98	1.00	1.02	1.03	1.05	1.11	1.15	1.13	
High	1.06	1.06	1.12	1.08	1.10	1.18	1.21	1.20	
Low	0.90	0.90	0.90	0.93	0.95	1.03	1.08	1.08	
Forward	0.98	0.99	1.00	1.00	1.00	1.02	1.03	1.04	
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	0.95	0.95	1.02	--	1.18	1.18	1.20	--
Barclays	09/28/22	0.98	0.98	1.00	1.03	1.05	1.07	1.09	1.11
Credit Agricole CIB	09/28/22	0.97	0.99	1.01	1.05	1.07	--	--	--
Wells Fargo	09/28/22	0.94	0.91	0.91	0.93	0.95	--	--	--
Nomura Bank International	09/27/22	0.90	0.90	0.93	--	0.98	--	--	--
Danske Bank	09/23/22	0.97	0.96	0.96	0.95	--	--	--	--
Morgan Stanley	09/23/22	0.93	0.95	0.97	0.99	1.01	--	--	--
Swedbank	09/23/22	0.96	1.02	1.05	1.05	1.10	1.12	--	--
JPMorgan Chase	09/22/22	0.95	0.98	1.02	--	1.03	--	--	--
Citigroup	09/20/22	1.00	1.03	1.05	1.06	1.07	--	--	--
BNP Paribas	09/15/22	1.00	1.01	1.02	1.04	1.06	--	--	--



		Q4 22	Q1 23	Q2 23	Q3 23	2023	2024	2025	2026
Median		0.98	1.01	1.03	1.05	1.06	1.11	1.15	1.11
Mean		0.98	1.00	1.02	1.03	1.05	1.11	1.15	1.13
High		1.06	1.06	1.12	1.08	1.10	1.18	1.21	1.20
Low		0.90	0.90	0.90	0.93	0.95	1.03	1.08	1.08
Forward		0.98	0.99	1.00	1.00	1.00	1.02	1.03	1.04
<b>Banks</b>	<b>As of</b>								
Rabobank	09/29/22	0.95	0.95	1.02	--	1.18	1.18	1.20	--
Barclays	09/28/22	0.98	0.98	1.00	1.03	1.05	1.07	1.09	1.11
Credit Agricole CIB	09/28/22	0.97	0.99	1.01	1.05	1.07	--	--	--
Wells Fargo	09/28/22	0.94	0.91	0.91	0.93	0.95	--	--	--
Nomura Bank International	09/27/22	0.90	0.90	0.93	--	0.98	--	--	--
Danske Bank	09/23/22	0.97	0.96	0.96	0.95	--	--	--	--
Morgan Stanley	09/23/22	0.93	0.95	0.97	0.99	1.01	--	--	--
Swedbank	09/23/22	0.96	1.02	1.05	1.05	1.10	1.12	--	--
JPMorgan Chase	09/22/22	0.95	0.98	1.02	--	1.03	--	--	--
Citigroup	09/20/22	1.00	1.03	1.05	1.06	1.07	--	--	--
BNP Paribas	09/15/22	1.00	1.01	1.02	1.04	1.06	--	--	--



# Client scenarios



# Case Study

## Individual purchasing a property in France with Sterling

Feb 2022

Vanessa and her husband decide to purchase a property in France. They discuss with their adviser the financing options for the purchase.

24 Feb 2022

Vanessa is introduced to Moneycorp to undertake a currency consultation so she can understand the options available to her to facilitate the purchase of Euros she requires when the financing is finalised.

13 Apr 2022

Vanessa Opens her Moneycorp account and sets a budget level of 1.16. Finance and purchase are still to be agreed.

April – September 2022

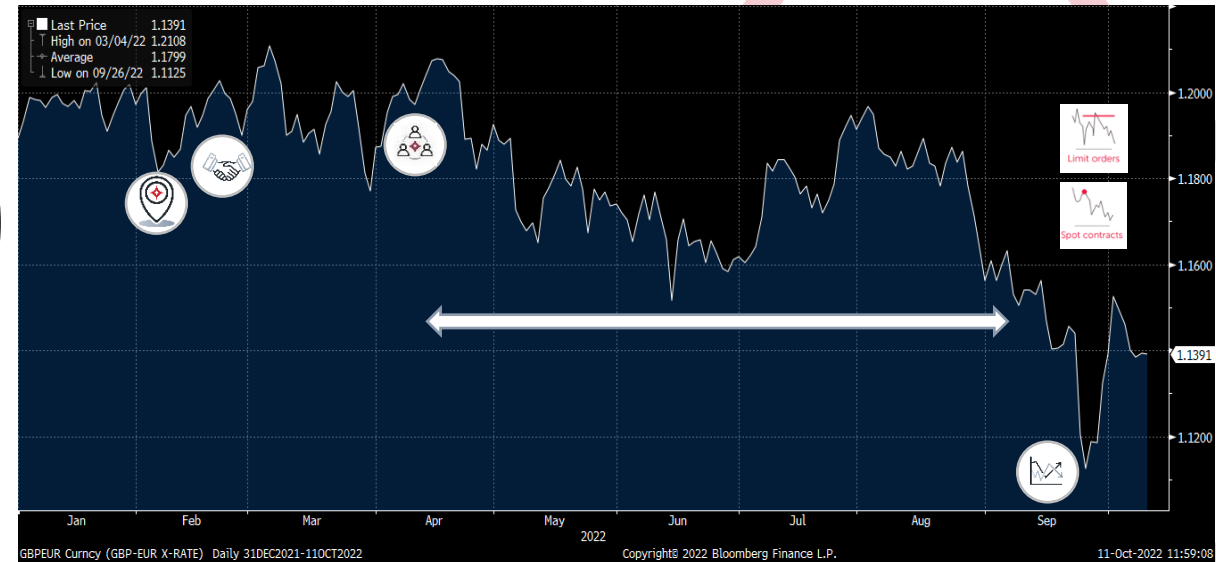
Vanessa's currency specialist keeps her update of market conditions. Without the finance being agreed she is unable to book a forward to cover her FX risk.

30 Sep 2022

Financing is agreed and funds are released to Vanessa's Moneycorp account. Unfortunately the rate has dropped to 1.11. Vanessa has 10 days to purchase the Euro's and places a Limit order at 1.15. 1.14 has been set at the adjusted budget level.

03 Oct 2022

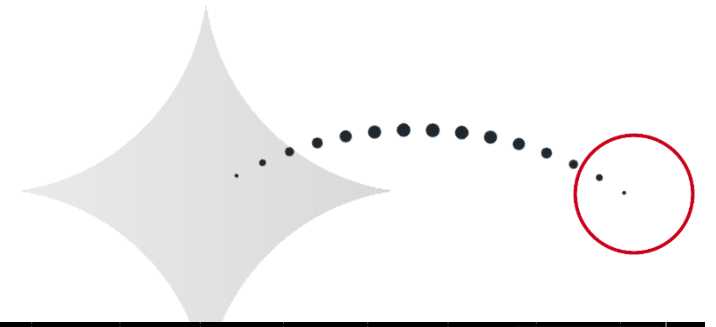
The Limit order is adjusted to 1.14. Sterling rallies and the order is filled and the rate is secured for Vanessa to enable her to complete her property purchase.



### Considerations

- The finance available was £4,550,000.00
  - @ 1.16 = €5,278,000.00
  - @1.11 = €5,050,000.00
  - @1.14 = €5,187,000.00
  - Variance = €228,000.00
- If finance was available sooner the rate could have been secure via a Forward or Spot transaction as high

# ❖ The cost of FX volatility in 2022



Client buying €1m

High – 1.2190 (£820,344.54)

Low – 1.0741 (£931,012.01)

Variance - £110,667.47

13.5%



Client buying \$1m

High – 1.3748 (£727,378.52)

Low – 1.0284 (£972,384.28)

Variance - £245,005.76

33.7%



# Case Study

## Helping a consultancy company hedge

**12 August 2022**

The company was introduced to Moneycorp through one of our existing partners as their current provider had very limited payment solutions to offer.

**Afternoon of 12 August 2022**

A fact finding conversation took place to understand the requirement of the company and how we can add value to their current exposure.

**17<sup>th</sup> August 2022**

The company applies for a Corporate Account and sends over all the relevant documentation to be processed. The Account was opened the following day.

**18 August 2022**

A further fact finding conversation took place to understand the total requirement of the company and their overall FX exposure.

**19 August 2022**

A £2m credit line with a 0% deposit was requested from our Credit Team which was approved.

**25 August 2022**

10 series of Forward contracts were placed for the company until the end of 2022, covering their exposure of £800k worth of FX.



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Thank You  
Questions???

[Foreignexchange@mhllp.co.uk](mailto:Foreignexchange@mhllp.co.uk)

