

Moneycorp

Foreign Exchange

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Agenda



- ❖ Introduction to the FX Market
- ❖ Current FX situation in the UK
- ❖ Market movement and examples
- ❖ Different ways of buying currency / hedging risk
- ❖ Introduction to the Moneycorp
- ❖ Moneycorp benefits
- ❖ Online Platform
- ❖ Chamber FX case study



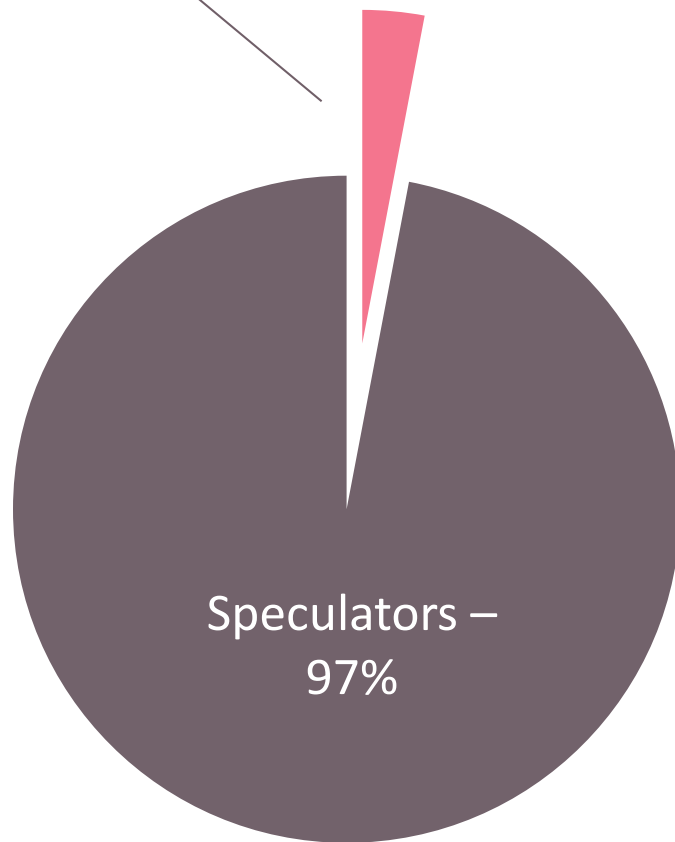
The FX Market

- ❖ The Foreign Exchange market is the largest financial market globally.
- ❖ There are approximately 150 currencies in the world, but not all of them are actively traded.
- ❖ More than 85% of FX deals involve US dollar.
- ❖ More is traded on the FX market in a day than the stock market in a year
- ❖ Speculators vs transactional foreign exchange



Speculators VS Transactional

Transactional buyers – 3%



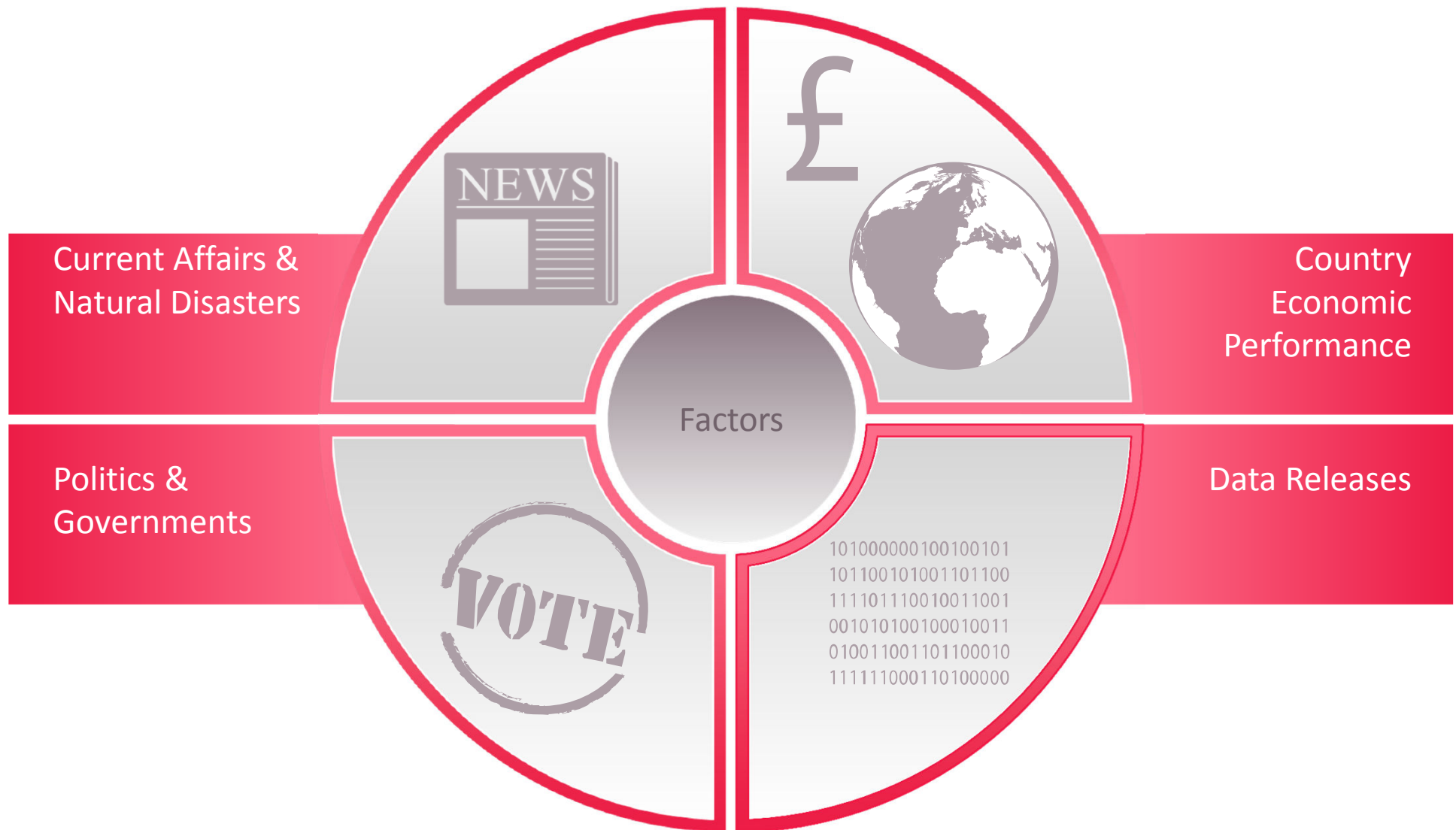
- ❖ Markets fluctuate constantly, making it difficult for companies to plan and meaning they often pay more or receive less than they should.
- ❖ Currency fluctuations can significantly add to costs, or erode profitability on projects and deals. Profits can be wiped out due to adverse rate movements alone.



Current FX situation in UK

- ❖ Approximately 75% of UK companies still use their bank for FX transactions
- ❖ The remaining 25% use a foreign exchange specialist to achieve more competitive rates of exchange and expert market guidance
- ❖ Many companies have not credit checked their current provider
- ❖ Typically banks are offering exchange rates up to which are significantly higher than many specialist foreign exchange specialists
- ❖ International transfer fees typically between £20-£40

What moves the market

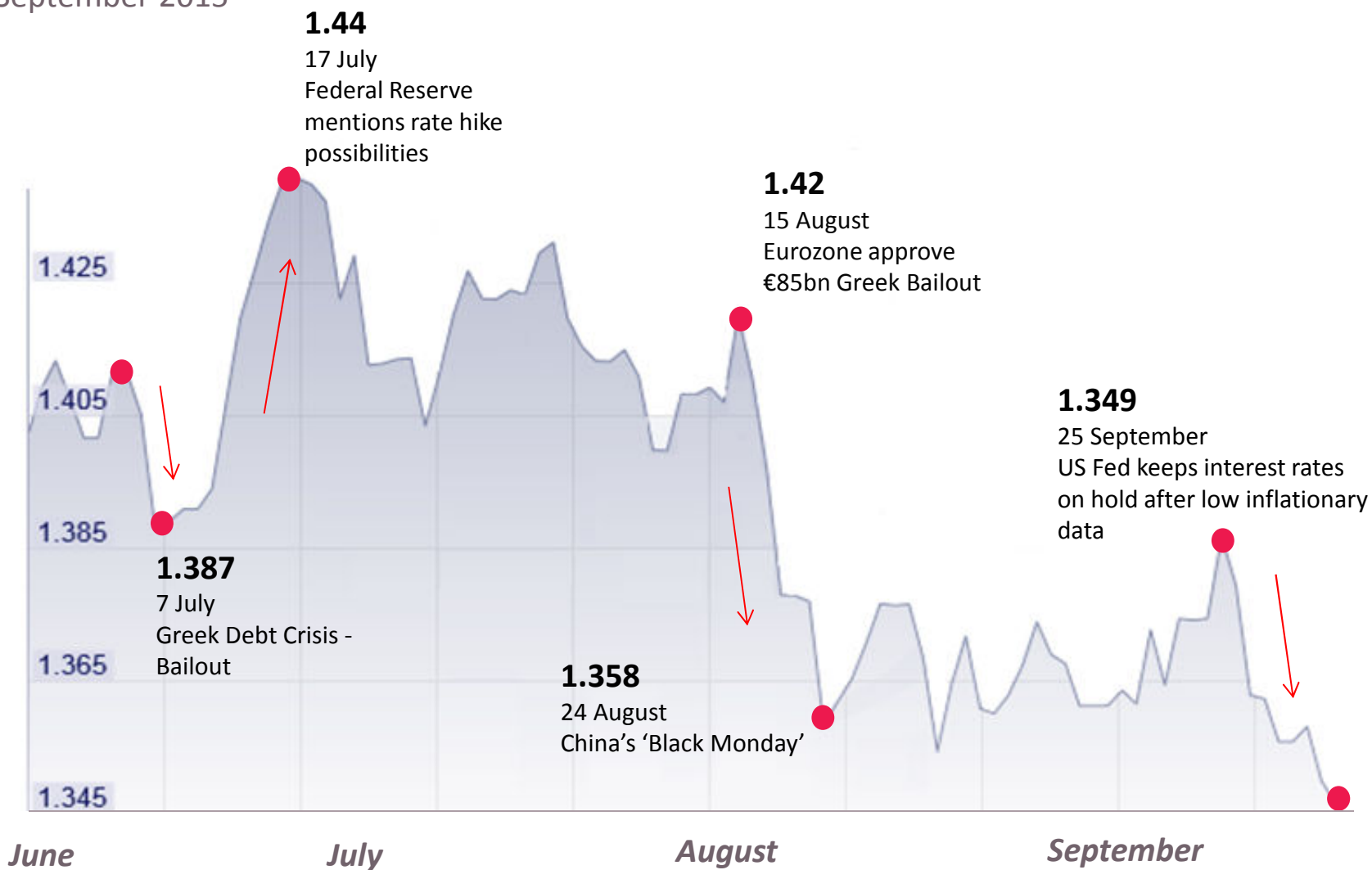




Factors Affecting Exchange Rates

GBP/USD Exchange Rate

June – September 2015





Examples Of Volatility **GBP / EUR** 6 month

- March 2016 – September 2016
- High 1.3151; low 1.1522
- 8% movement
- When buying euros with £500,000 this translated to a difference of **€81,450** between the year's high and low.





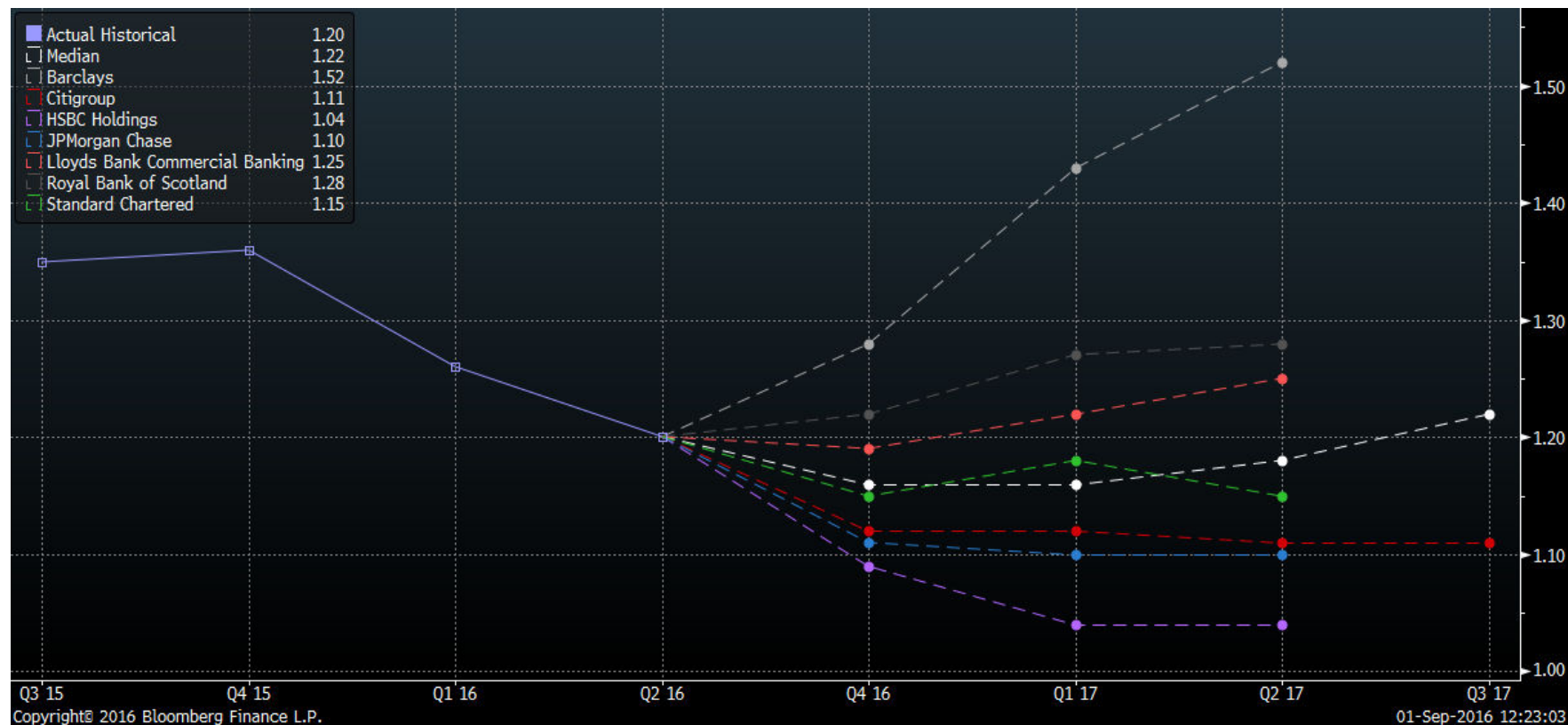
Market movements **GBP / USD** 6 month

- March 2016 – September 2016
- High 1.4815 ; Low 1.2903
- 7.95% movement
- When buying USD with £500,000 this translated to a difference of **\$95,600** between the year's high and low.





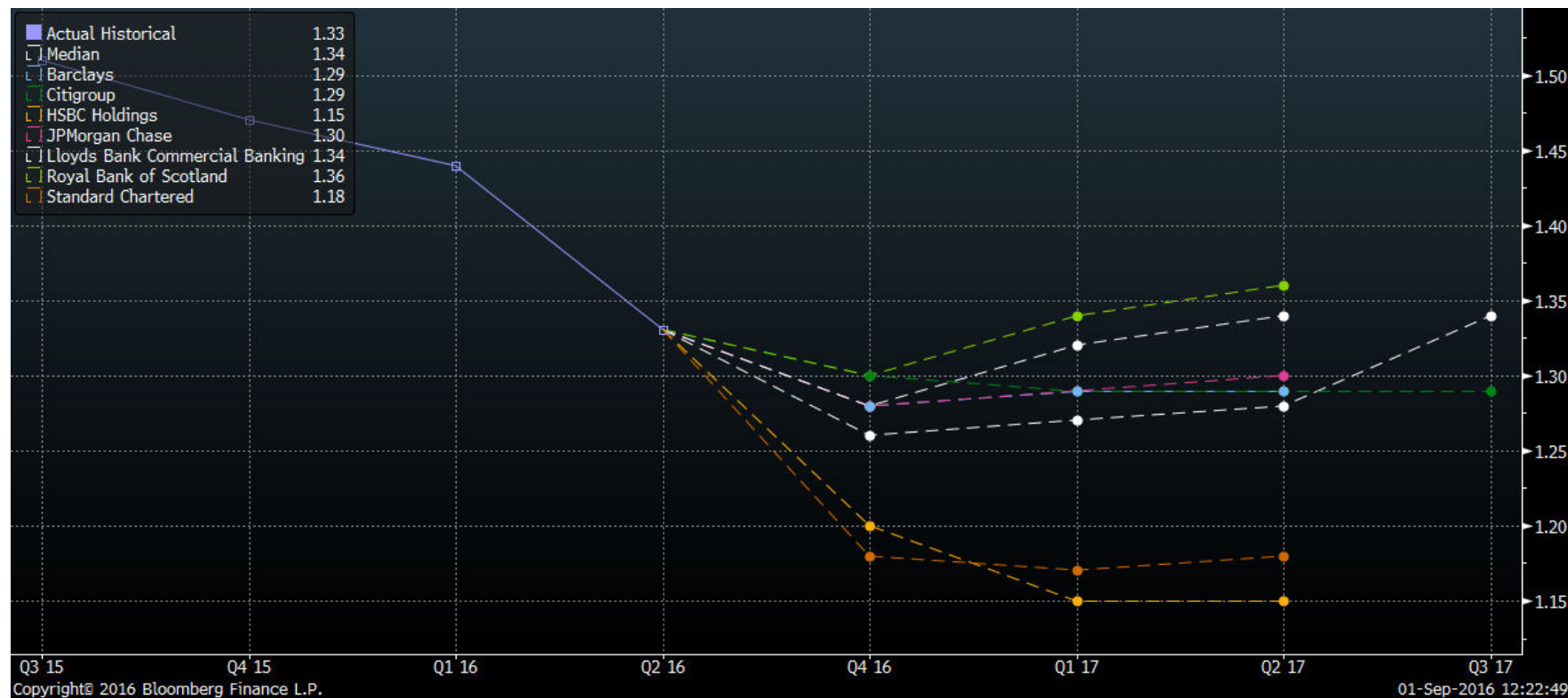
GBP / EUR Multi-Bank Forecasts



Currently 1.16 in Q2
High – Barclays at 1.52
Low – HSBC at 1.04
Average – 1.22



GBP / USD Multi-Bank Forecasts



Currently at 1.30 in Q2:

High – RBS at 1.36

Low – HSBC at 1.15

Average 1.34







Future Volatility.....Just Brexit?

- ❖ 6 months before Brexit, sterling moved 11% against the Euro and 10% against the dollar.
- ❖ Continued uncertainty = market volatility
- ❖ Article 50 submission – by March 2017, we will be out by 2019
- ❖ American elections – Could Trump Win?
- ❖ Potential FED rate hike – 65% chance of a rate hike by end of 2016
- ❖ Potential discontent / disintegration of the EU – 40% of EU economy going to the polls within the next year



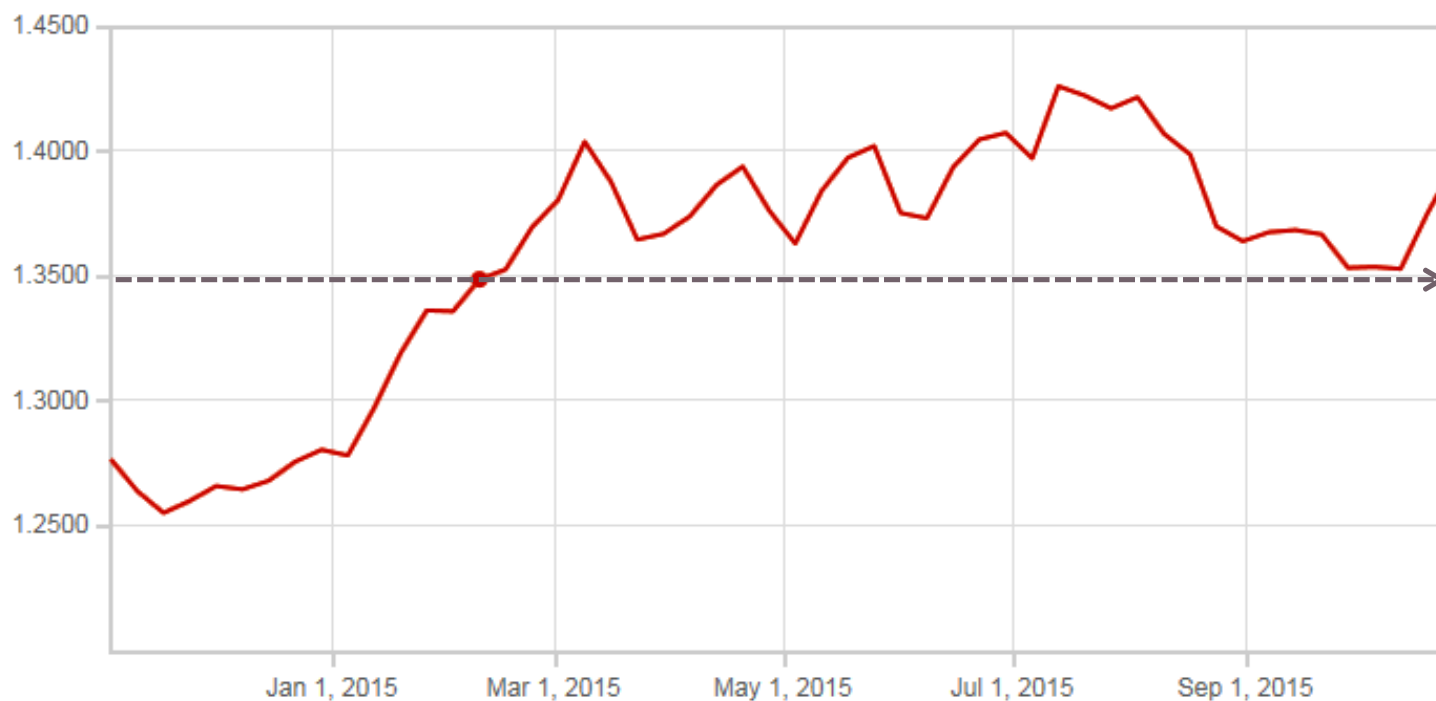
Different Ways To Buy Currency

Online			
Spot	Forward	Market orders	Options
Immediate delivery	Lock in to favourable rates longer term	Target a rate and minimise risk	Fixed rate with potential upside
			
Over the phone			



Forward Contracts

- ❖ Fix a rate up to two years ahead
- ❖ Fully flexible to use (drawdown) when wanted
- ❖ Complete protection from volatility
- ❖ Purchase obligatory
- ❖ Credit implication



About Moneycorp



1962
Company incorporated

1979
Started dealing in foreign exchange

One stop shop
Corporate, Private, Wholesale, Retail

Preferred partner
Telegraph, Virgin Atlantic, British Chamber of Commerce

FCA Authorised and Regulated

TTT Moneycorp Limited is authorised and regulated by the Financial Conduct Authority for the provision of payment services.

4A 1
Strongest credit rating in the industry with D&B

8.1m
Customers served last year

£22.7bn
Traded in currencies last year



Moneycorp Online

- ❖ Simple web based platform available 24/7
- ❖ Make supplier payments quickly and simply
- ❖ Buy & Sell 32 different currencies
- ❖ Book spot deals and forward contracts
- ❖ Hold currency in 32 virtual currency accounts
- ❖ Full reporting exported to .xls and .pdf




- Home**
- Deals
- Transfers
- Recipients
- Statements
- FX Tools
- Account


Welcome to Moneycorp Online

What would you like to do?


Buy / Sell Currency


 **Trade FX**
Buy and Sell any of 35 currencies online

Make a Payment

 **Finalise a deal booked over the phone**
Send currency that you've already bought from your Dealer.

Add a Beneficiary

 **Add a recipient**
You'll need to have the full account details to hand.

 **Add funds to your account**
Use a UK-issued debit card or make a balance transfer to add funds to your Moneycorp account.

Virtual Currency Balance

Your fund balances

EUR	Available	0.00	more...
GBP	Available	0.00	more...
USD	Available	0.00	more...

Chamber FX / Moneycorp Benefits



Client Testimonial



JRC Roofing began using moneycorp for their foreign exchange requirements in 2014...

“

*We take advantage of forward contracts on a daily basis to manage not only our profit margins but the margins of our customers when purchasing slate from Spain, and the rates we receive through **moneycorp** are highly competitive. Previously we were using Western Union but we found **moneycorp's** online system much easier to use and more convenient for our day to day accounting.*

*Their system also allows us to pay via direct debit, which is ideal. We are very pleased with the service levels provided by **moneycorp** and it is very reassuring that our personal expert dealer is available at the end of the phone, should we need any guidance.*

”

Any questions?

