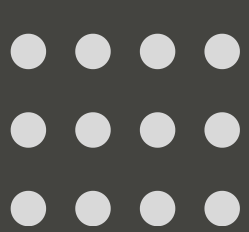




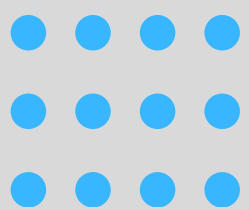
TACTICS FOR
TODAY'S
TREASURER



MASTERING FX RISK MANAGEMENT

DK
DUKES & KING





BEWARE OF A FALSE SENSE OF SECURITY

Although some markets may appear calm at times, there is no shortage of uncertainty due to global elections, geopolitical tensions, and various macro events. Ensure you are prepared for the next event.



[illegible]



GO THE EXTRA MILE

Being increasingly vigilant is key – this means being ready to adapt to risks from rapid currency fluctuations, ensuring the company's margins and competitive pricing can continue to be protected.



BUILD IN POLICY FLEXIBILITY



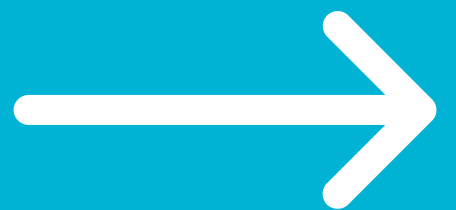
While adaptability is critical, ensure FX policies strike a balance between flexibility and consistency, tailoring them to specific markets while maintaining a standardised approach. Integrating the FX Global Code should also be a policy prerequisite.



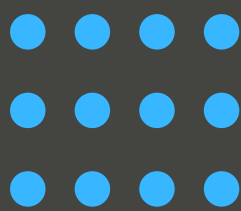


UTILISE ADVANCED HEDGING TECHNIQUES

Look to employ sophisticated hedging methods, including options and forward contracts, as well as bespoke solutions, to manage FX risk effectively. This will help to secure protection while targeting better rates.



MANAGE FORWARD CURVE EXPOSURE



With longer-dated exposures, be sure to consider the components of the FX exposure – e.g. look at solutions to hedge interest rate differentials, capturing value from favourable forward curves. This helps de-risk future hedging against uncertainties, including potential central bank divergence.

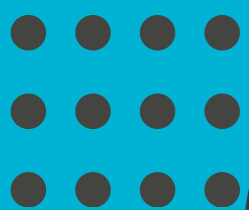




KEEP ON TOP OF CREDIT RISK

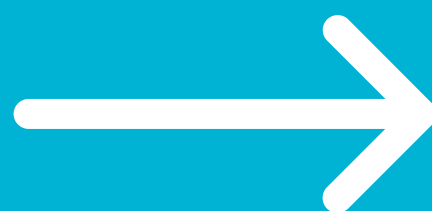
Using derivatives to limit or cap credit line exposure ensures that the ability to hedge remains intact, even when market conditions shift unfavourably for the existing portfolio positions.





FOCUS ON VALUE CREATION

Use derivatives not only to secure a P&L rate but also to create a corridor of P&L certainty, unlocking value. This approach will help highlight treasury's true contribution to the organisation.



EMBRACE TECHNOLOGY WHERE RELEVANT

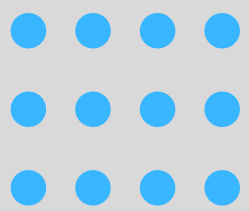


While technology enhances productivity, it is crucial to maintain a deep understanding of the underlying processes and risks – and not turn the management of risk into a process. The driver behind tech deployments should be improving the quality and speed of data, as well as efficiency of execution.



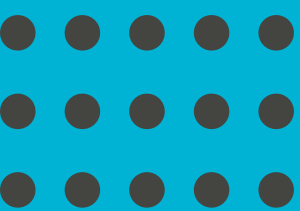


BUILD STRONG RELATIONSHIPS



Fostering long-term relationships with a diversified set of counterparties can provide stability and better pricing, while also spreading risk across multiple entities.





NEED EXPERT ADVICE?

For an informal chat about
practical strategies for
managing your FX risk, drop
Lisa Dukes a line:

lisa@dukesandking.com

DK
DUKES & KING