



Foreign exchange

This month's Spotlight opens with a look into the future for foreign exchange. The internet, by many accounts, is set to completely revolutionise much of what we do across a range of activities. The foreign exchange market is not immune to the challenges this throws up and banks and non-financial intermediaries are developing new product offerings.

Chris Cooper of ANZ examines how treasurers can cope with the bombardment of web-based trading applications and what the benefits and risks are in using e-FX. 'Don't get left behind' seems to be the main message!

Lori Mirek of Currenex considers to what extent we already have friction-free trading and what emerging technology can offer to achieve this.

Developments are being announced almost every week and we have included a bulletin about the latest systems, prepared by an expert journalist, **Anne Querée**.

In the light of the current problems in the economy caused by the position of sterling against the euro, **Alan Hicks** of Fenics takes a look at the reluctance of companies to hedge their currency risk and explains the value of option products. Through various worked examples he illustrates why the use of options

has grown significantly over the last few years and why more people should be using them.

It has been a few years since I was last sitting in the hot seat of a corporate dealer. When asked to develop the theme for this Spotlight, I thought it would be interesting to see just how much the world has changed in three years.

Graham Broyd of RBS talks through some of the changes he has noted over the last few years from the perspective of a major FX bank. His interview explains how the market has had to respond to changing customer demands as well as developments in human resources, technology and corporate governance.

Banks could not exist without corporate dealers and we have insights provided by two very different companies – BP and Omnicom. **Steve Nussey** of BP looks at the increased efficiency and profitability coming about as a result of the changes. **Dolores Desjardins** of Omnicom takes us through the daily stresses and strains of working in the world of FX transactions.

To round off this month's Spotlight, **Caroline Shuffrey** reminds us of the fundamentals of multilateral netting and why it is such a valuable tool. ■

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