simpleFX

Currency moves shouldn't decide your profit.

If you buy or sell in another currency, a 3% swing can wipe out a month's margin. Three simple tools put you back in control. We explain each one before you use it.

CA$1,000,000
paid or received in another currency each year

×

5%
move in the exchange rate

=

CA$50,000
swing in your yearly cost, up or down

A simple illustration: yearly amount multiplied by the rate move. It isn't a quote, a forecast or financial advice.

Hedging, in plain words: setting or limiting the exchange rate on a real payment you know is coming, so you can budget and price with confidence. It isn't about beating the market.

THE THREE TOOLS

Forward contract

Know your cost today.



Market rate — Your locked rate

Agree on an exchange rate now for a payment you'll make later, up to 36 months ahead. Whatever the market does, your rate doesn't change.

Example: You owe a supplier €200,000 in 90 days. Lock the rate today and you know exactly what it costs in Canadian dollars.

The trade-off: if the market later moves your way, your rate stays the same. A deposit may be required.

Option

A worst case you can plan around.



Market rate — Your worst-case rate

Set a worst-case rate. If the market moves against you, that's your floor. If it moves in your favour, you can still benefit.

Example: You expect US$500,000 in sales next quarter. An option sets a floor if the US dollar falls, while still letting you gain if it rises.

The trade-off: Structured options offer added flexibility, but can come with additional conditions. Your dealer will walk you through them before you book.

Limit order

Set your target. We'll watch the market.



Market rate — Your target, filled

Tell us the rate you want. If the market reaches it, your currency is bought automatically, day or night, so you don't have to watch screens.

Example: You need to pay ¥20 million later this month and want a better rate than today. Set a target and your order fills when the market gets there.

The trade-off: if the market doesn't reach your target, the order doesn't fill.

HOW MUCH TO HEDGE

All of it
Full certainty, little flexibility.

Part of it
Forwards for part of what you owe, spot for the rest.

None of it
Full flexibility, but rate moves can hit your margin.

The right mix depends on how certain your payments are and how much risk your business can carry.

A SIMPLE PLAN

1. **Know your exposure**
   How much you pay or receive, in which currency, and when.
2. **Set your goal**
   The rate your budget needs, and how much to hedge.
3. **Pick your tools**
   A forward, an option, a limit order or a mix, with your dealer.
4. **Review and adjust**
   Check the plan as your business and the market change.

Walk through your numbers with a dealer.

15 minutes with a dedicated FX dealer. No obligation, no pressure, just a clear answer.

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