Contents

| Αc | Acknowledgements | |
|-----|---|------|
| 1 | Building bridges | 1 |
| Pa | Part I The markets | |
| 2 | Spot, forward, interbank swap and futures deals | 9 |
| 3 | Interrelations of markets | 18 |
| 4 | Time spans and volatilities in the currency markets | 31 |
| 5 | Forecasting exchange rates | 44 |
| Pai | rt II Management principles and classification of risks | 59 |
| 6 | A general approach to business risks | 61 |
| 7 | The place of currency risk management in general and | |
| | financial management | 72 |
| 8 | Defining and classifying currency risks | 87 |
| 9 | Corporate objectives and policies in currency risk | |
| | management | 102 |
| | Appendix: Some mini case studies of UK corporate | |
| | objectives concerning currency risk management | 111 |
| Par | t III The risks and their management | 123 |
| 10 | Competitiveness risk | 125 |
| 1 | Trading risk: The problem | 137 |
| 12 | Managing trading risk: The mechanisms | 1.18 |

| VI | Contents | |
|---------------|---|-----|
| 13 | Position risk Appendix: Summary of SSAP 20, the UK currency | 170 |
| | translation standard | 186 |
| 14 | Position risk in the group of companies | 189 |
| 15 | Managing position risk: The mechanisms | 197 |
| 16 | Policy decisions in position risk management | 210 |
| Par 17 | Organization and control; summary Organizing, controlling and appraising currency risk | 223 |
| | management | 225 |
| 18 | Executive summary | 239 |
| References | | 247 |
| Index | | 251 |