

Exchange rates are...?

Market is moving...?

Payment in foreign currency is expected...?

What to do...?

These questions are all about the uncertainty of the foreign exchange market.

Questions can be even more,
but answers few:

Forward Exchange Contracts

HSBC - BEST RISK MANAGEMENT HOUSE

Forward exchange contracts

A forward exchange contract (or forward contract) is a binding obligation to buy or sell a certain amount of foreign currency at a pre-agreed rate of exchange, on a certain future date.

A forward contract is the simplest method of covering exchange risk because it locks in an exchange rate. This strategy overcomes one of the problems that you can experience when importing or exporting in foreign currency, as you can now budget at a guaranteed rate of exchange.

Key facts

Minimum deal size: USD5,000 (or equivalent in other currency)

Maximum deal size: no maximum

Period: any period up to 1 year

Currency pairs: any combination of the following currencies:
AMD, USD, EUR, GBP, CHF, RUB, AUD, AED

Arrangement fee: no arrangement fee

Guarantee deposit: certain percentage of the forward contract amount might be requested as a guarantee deposit

For further details please contact our dealing department.

EUROMONEY

**“Most impressive
approach to
FX business.”**

Issued by HSBC Bank Armenia cjsc.

66 Teryan Street, Yerevan 0009,
Republic of Armenia

www.hsbc.am