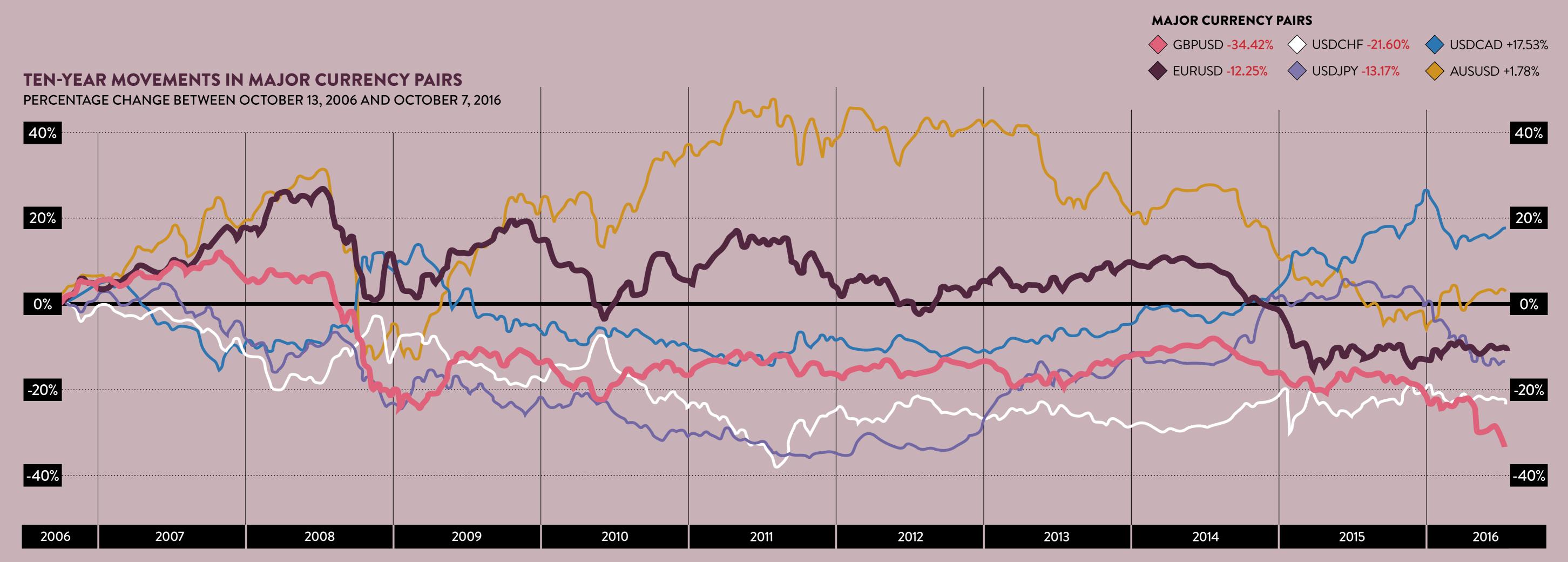
TRACKING FOREIGN EXCHANGE



Source: Google/SIX Financial Information 2016

TOP CHALLENGES TREASURIES FACE IN MANAGING FX RISK (%)

Lack of visibility/ reliability of FX forecast		
Emerging market/ restricted currency volatility		49
Manual exposure identification/capture		48
Business unit understanding		33
Inadequate treasury/financial risk management systems		22
Informal or immature hedging practices		19
Analysing exposures and measuring hedging results		16
Hedge accounting compliance		15

KEY FACTORS AFFECTING CURRENCY MARKETS





INTEREST RATES

ECONOMIC GROWTH



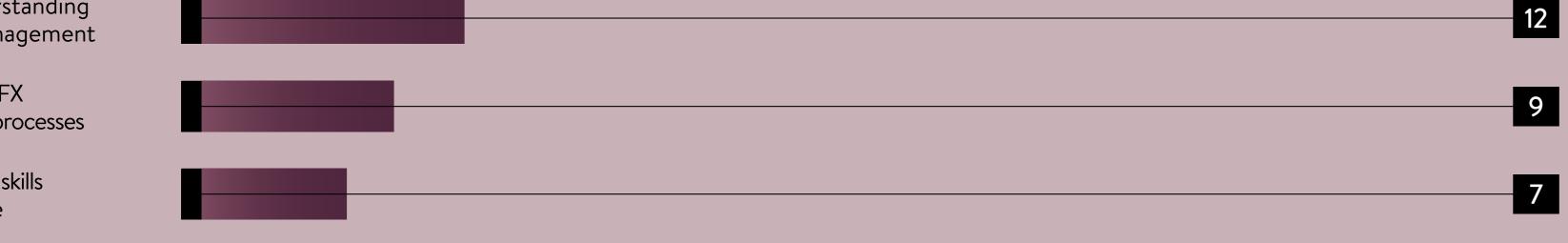


MONETARY POLICY

Lack of	fundersta	nding
by seni	or manage	ement

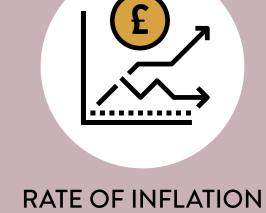
Non-standard FX management processes

Inadequate FX skills and knowledge



Source: Deloitte 2016

\$ O **TRADE BALANCE**







NATURAL DISASTERS

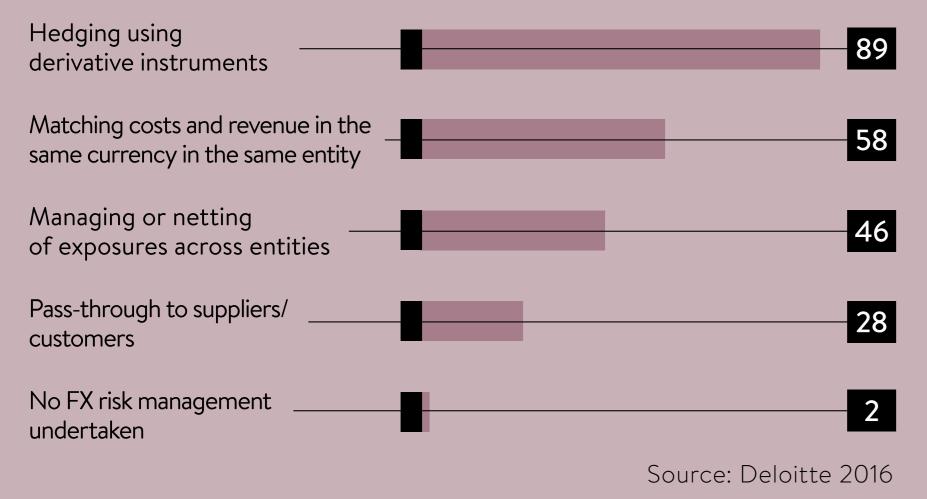


SPENDING DATA



CURRENCY **SPECULATION**

RISK MANAGEMENT APPROACHES USED BY TREASURERS (%)

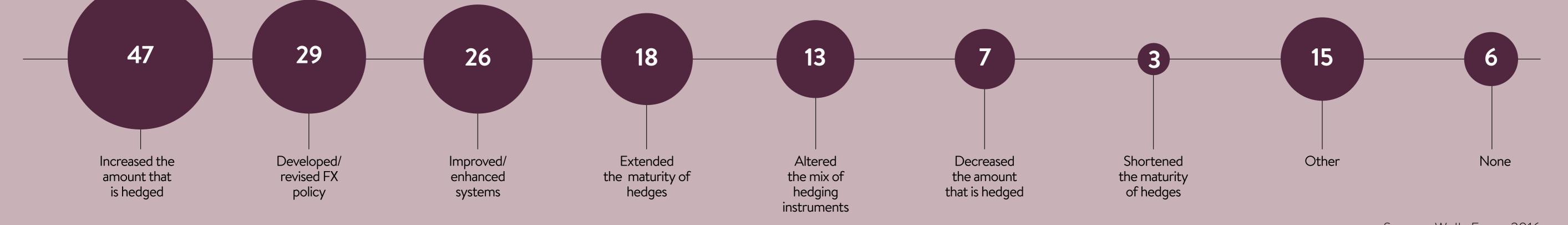


CHANGES MADE TO FX RISK MANAGEMENT AMID HEIGHTENED CURRENCY VOLATILITY (%)

42 Exposures are small Inability to forecast 33 exposures accurately Lack of expertise/resources 23 to hedge effectively Hedge accounting 17 is difficult Senior management 12 does not believe in hedging We do not fully 6 understand our risks Source: Wells Fargo 2016

TOP REASONS FOR NOT HEDGING FORECAST

REVENUES/EXPENSES (%)



Source: Wells Fargo 2016