



BANK EXCHANGE RATE FORECASTS

Useful for hedging risk?

**Spoiler: no, they are not
reliable for building
a hedging strategy.**



Examples of forecasts for October 2026 exchange rates ↘

EURUSD

SEPT. 25	MAR. 26	TODAY
1,21	1,19	1,12

EURJPY

SEPT. 25	JUN. 26	TODAY
165	184	177

EURCHF

SEPT. 25	JUN. 26	TODAY
0,96	0,92	0,93



Analysis



**A FORECAST
CAN BECOME
OUTDATED
IN A FEW
HOURS.**

[Given the current geopolitical context.]
An annual budget can quickly become obsolete. Relying on it for hedging is speculating.

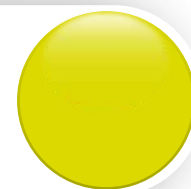


Mistakes to avoid



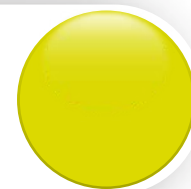
Choosing a product optimized for the anticipated scenario (accumulators, knock-in/knock-out): lethal if the market shifts.

OFF



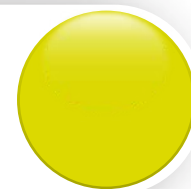
Waiting for a "favorable" entry level that may never arrive.

OFF



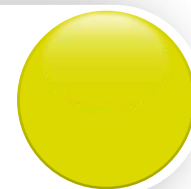
Hedging according to forecasts rather than according to what the company can withstand "at worst".

OFF



Waiting for the risk to arise (contract, order, invoice) before hedging.

OFF



What to base your strategy on?

01

On pillars validated by the Board of Directors.

02

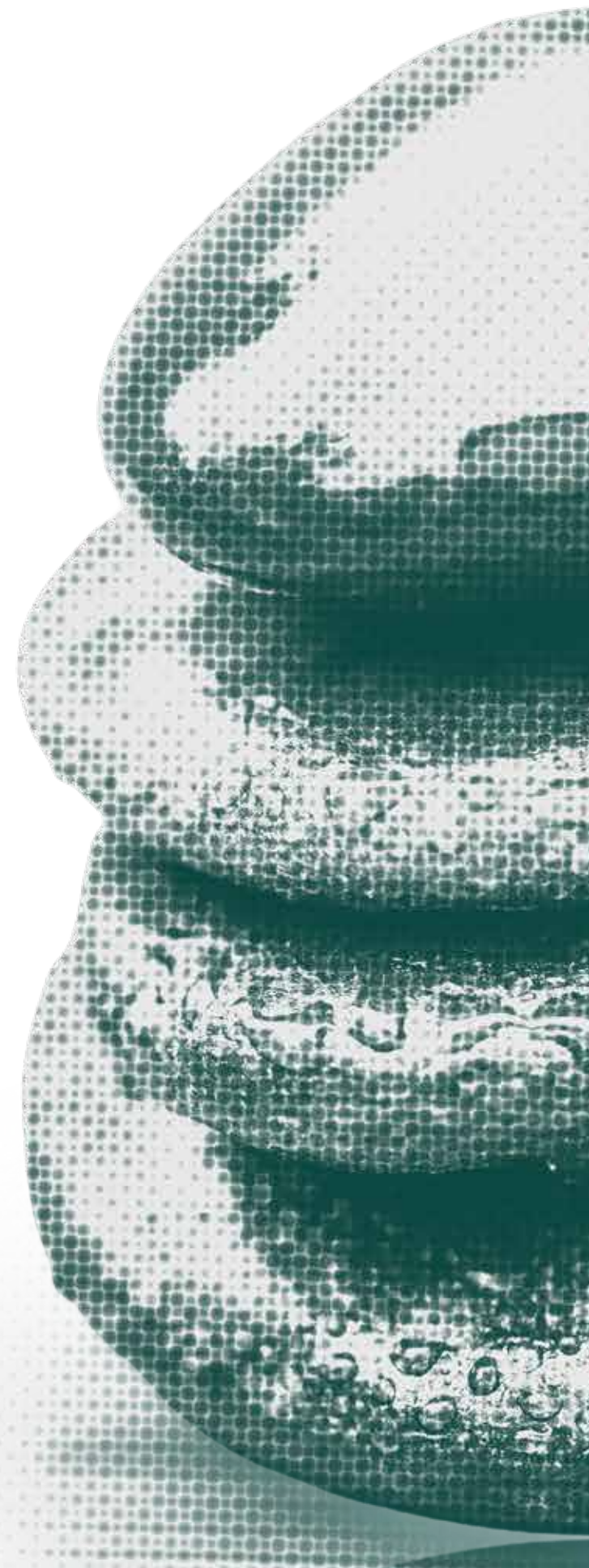
Work on risk forecasts, not market forecasts.

03

Set the horizon according to operational needs, not according to forecasts.

04

Budget exchange rate = weighing between existing hedges and a mix of forward rates/options.





05

Hedge the most probable portion from the budgeting stage.

06

Formalize specifications and a common process for all subsidiaries.

07

Anticipate accounting choices (hedge accounting) and reporting.

08

Plan the necessary control and monitoring tools.



We can support you



DIAGNOSIS

Mapping of exposure and flows,
scenario simulations.



POLICY

Definition of an appropriate
hedging strategy.



IMPLEMENTATION & REPORTING

Deployment, bank negotiations,
regular monitoring.



Contact



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discuss your foreign
exchange risk
exposure?**

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