19 February 2018 Helaba launches currency overlay programme for corporate clients Banks

# Helaba launches currency overlay programme for corporate clients

**Helaba is launching the HI-actiFX currency overlay programme in co-operation with Helaba Invest, which has been especially designed for corporate clients.**

Helaba is taking advantage of the extensive know-how of its subsidiary in this area, the latter having already successfully implemented this methodology in the scope of its fund management mandates.

HI-actiFX is an active currency management strategy in which hedging decisions are taken on the basis of fundamental data and forecasting models that are created using market sentiment information. It protects customers from unfavourable price changes and enables them to participate in beneficial price developments.

In order to achieve this, Helaba Invest utilises a rule-based system. Trade signals are generated on the basis of a purely mathematical and statistical process and the currency risk is actively managed. The probability of future price movements is calculated in a high data volume process with various models over different forecasting periods, from which a hedge ratio is determined on a daily basis.

***»With the HI-actiFX currency overlay programme, the Helaba Group is reacting to the changing market environment and requirements for our corporate clients' treasury activities.«***

**Hans-Dieter Kemler**
Member of Helaba's Board of Managing Directors

"With the HI-actiFX currency overlay programme, the Helaba Group is reacting to the changing market environment and requirements for our corporate clients' treasury activities", says Hans-Dieter Kemler, the member of Helaba's Board of Managing Directors responsible, among others things, for the Capital Markets unit and Helaba Invest. "When we talk to our customers, we realise that there are significant risks associated with managing foreign currency payments in companies' treasury departments. However, there are also opportunities and we are looking for the appropriate solutions", adds Dr Hans-Ulrich Templin, a member of Helaba Invest's Management Board and in charge of overlay management.

The complexity and unpredictability of currency markets, as well as expansion into a growing number of new countries, is leading to a situation in which managing foreign currency risks is increasingly shifting into the focus of multinationals and midcaps in Germany. This is because changes in exchange rates have a direct impact on a company's earnings. Furthermore, in the low interest rate environment of the euro area, it can be expensive to hedge foreign currency positions in the long run due to the high interest rate differentials in non-euro countries.

In addition, requirements for companies in terms of accounting rules, compliance and the regulatory framework – at a time when human resources are scarce – are growing. In this respect, it is becoming increasingly important for treasury departments, from a strategic perspective, to standardise and automate their processes.

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