



# Forex Hedging

FX Handling & Hedging

Simplify Forex hedging in  
Microsoft Dynamics 365

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## ABOUT DYCOTRADE

DycoTrade BV and its predecessors have been actively providing software and services to the (commodity) trading industry for over 20 years. Headquartered in the Netherlands, DycoTrade operates with a team of 70 colleagues who design, develop, implement, maintain and support the DycoTrade software for companies worldwide.

Organizations looking to integrate the DycoTrade software into their operations can rely on our experienced staff, dedicated to guide you through a smooth implementation process. To do so, we have standardized our scoping process and incorporated Microsoft's *Success by Design* methodology.

Together with international partners, we strive to expand our customer network, with customer satisfaction as the most important driver in all that we do.

# FOREX HEDGING

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Fighting the currency fluctuation dragon

Internationally operating businesses frequently face the challenge of managing foreign currency exchange rates. To mitigate the risk of fluctuating exchange rates between the order date and the payment date, organizations utilize Forex contracts. Forex contracts are widely available in international banking, and Dycotrade's Forex Hedging will register these contracts in Microsoft Dynamics 365, enhancing the predictability of actual cost, sales, and margins.



## Leverage from extended Dynamics functionality



Store Forex contracts directly in your ERP for full compliance



Use lump sum hedging or allocate your FX contract to sales or purchase orders and vice versa



Ensure accurate financial reporting and eliminate unexpected loss or profit upon payment



*"The Dycotrade Forex solution gives us a firm **grip on** our foreign currency position in real-time. It successfully enables us to defend our anticipated transaction results from **exchange rate fluctuations**. By acting on the Forex input, we even **increase our results** purely on Forex results."*

Jeffrey Bollebakker | RA and CFO at COUNT Group

## Key functionalities

### FX contract creation

FX contracts can be created manually, based on a default template, or copied from an existing FX contract. It is possible to set up a FX contract against the home currency but also against foreign currencies.

### FX contract hedging

Foreign currencies can be hedged for purchase and sales order lines. Hedging can be done many-to-many; meaning that one FX contract can be allocated to multiple purchase/sales orders, and one purchase/sales order can contain hedges from multiple FX contracts.

### Mark-to-Market

On the FX contract, an exchange can be specified. This can link back to the market exchange rate table to make sure the accurate rate is applied. This also allows you to conduct a Mark-to-Market comparison against a specific forward curve.

### Hedging Policies

To ensure your transactions are hedged to the extent needed (or demanded), a minimum hedging threshold can be configured. This prevents a purchase/sale from processing in case the position is not sufficiently hedged.

### FX contract roll

When a payment date is postponed, the roll functionality closes the initial contract and creates a second contract according to the new open position and prompt date. For reporting purposes, the contracts stay connected.

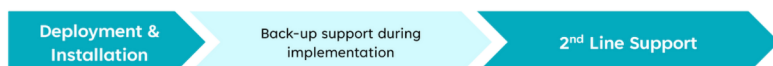
### Trading Book

When enabling the Trading Book functionality you can bundle FX contracts and purchase/sales orders for reporting purposes. Restrictions can also be set, like allowing only EUR-USD FX contracts and Cacao bean trading in Trading Book 'Europe'

## Start in just a few days

Implementing the DycoTrade Forex Hedging is a straightforward, yet customers require some guidance to ensure proper configuration and use. At DycoTrade, we have streamlined the process of selling, implementation and support processes. Through targeted trainings both, you as partner and end-users can be up to speed in no time.

### Partner



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## Happy to connect

Can we help you simplify your customers business?

Let's find out, and get to know eachother

[Book a call](#)

# CONTACT

With any questions you are more than welcome to contact us.

We are here to help you and your organization, optimizing your agility and efficiency.

## DycoTrade

Molenvlietweg 26  
1432 GW AALSMEER  
The Netherlands

+31 (0)20 – 761 0437  
info@dycotrade.com  
<http://DycoTrade.com/>



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