

Case Study **Large Purchase, Limited Liquidity** *Client: Steel Wire Manufacturer based in Texas*



In manufacturing, innovative financial strategies are key. Monex USA, a leader in corporate FX and global payments, helped a Texas steel wire manufacturer save money on a machinery purchase from Germany with tailored currency solutions, managing fluctuations and optimizing payment terms.



Story

A Texas-based steel wire manufacturer purchased machinery from Germany with flexible one-year payment terms. The vendor handled currency conversion and invoicing in USD and EUR, with payments split into a 10% deposit, 30% due in 4-6 months, and 60% in 10-12 months. Our specialists helped the Managing Director create a strategy to manage currency exposure.



Challenge

The client appreciated the favorable exchange rate and wanted to lock it in to avoid losses from currency fluctuations. They aimed to budget in advance for this significant purchase, as they couldn't afford the machine outright at the time.



Strategy

To save money and manage the client's budget, their Monex specialist created a strategy using:

- 160K EUR (10%) spot transaction
- 480K EUR (30%) window forward opening in 3 months, closing in 6 months
- 960K EUR (60%) window forward opening in 10 months, closing in 12 months

With their specialist's guidance, they compared the costs of paying the invoice in USD vs. EUR. The analysis showed that the USD invoice included an extra 4%, which the vendor added to protect against currency volatility.

*"It all boils down to **relationship** where you feel **comfortable** and **taken care of** with somebody that deals with the **(FX) market every day** and only does this—it is where I want to be **aligned**."*



Outcome

The combined strategy equated to the client saving \$— than if they paid for the machine entirely at spot when the invoice was due. They also saved an additional \$— by paying in EUR instead of USD.