

Case Study Currency Rate Impacts Buying Horses Abroad



As a leading provider of corporate foreign exchange (FX) and global payment solutions, we focus on understanding our client's business to tailor our products and services to best manage their currency needs. The following case study illustrates how Monex USA was able to help a client save money by taking advantage of the FX market outlook.



Scenario

A first-time, individual horse buyer based in Virginia decided to purchase an 8-year-old dressage horse from the United Kingdom. She received the seller's invoice in Great British Pounds (GBP) and checked with her bank on the rate of exchange. Disappointed with the high rates from her bank, she contacted a Monex USA FX specialist per recommendation from her equine connections.



Challenge

The bank's high rate of exchange was unfavorable for the buyer's first-time overseas horse purchase and exceeded her planned budget. The buyer believed her bank would provide a fair rate quote and was concerned she'd lose the opportunity to purchase the horse with time-consuming rate comparisons with other banks.



Strategy

To determine the most cost-effective currency payment option, Monex USA helped the buyer request a dual-currency invoice. After performing a cost comparison (USD vs. GBP invoice amount), it was evident the USD invoice was padded with an extra 4%, a common practice used to protect against currency risk. As a result, the strategy was to pay a spot transaction in GBP with the more favorable, real-time rate of exchange offered by Monex USA. The seller received instant payment verification and funds within two days.



Outcome

The buyer was able to immediately speak with a Monex USA FX specialist to determine the best currency in which to pay the invoice. She opened an account in minutes and secured a fair, competitive exchange rate to pay the supplier and secure the horse purchase with savings of more than 2% over her bank.



*"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**."*