Corporate FX Trading—The Value of Relationships and Execution Quality

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Executive Summary:



An effective corporate foreign exchange desk can help a company's liquidity management, currency hedging and support other key objectives of a treasurer. Yet many corporates think of FX execution with their bank counterparties not as a distinct activity that stands on its own, but as one component of a broader set of services. Because the responsibilities of a corporate FX and treasury desk are so vast, how they assess their FX counterparties differs from asset managers and asset owners, for example. Regardless of type of firm, however, FX desks need to focus on execution quality.

According to Coalition Greenwich research, 50% of corporate volume allocation on average is driven by FX service. Though this is the primary influence, it is not the only one. The other drivers of FX flow are services such as lending and cash management relations that also play an important role in the allocation of volume.

Methodology:

This report provides detailed information on foreign exchange products according to 680 corporate and 567 asset management users globally. Research is based on in-person and telephone interviews conducted between July 2023 and February 2024 with these users as part of the Coalition Greenwich Voice of Client - 2023 Global Treasury Services Study.

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