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Nota di contenuto	Intro -- Contents -- Preface -- 1. Exchange Rate Systems: From Fixed to Floating, and Chaos -- Fixed exchange rates -- Floating exchange rates -- Conclusion -- Foreign exchange and the UK -1960 to the 2000s -- 2. Central Banks and Foreign Exchange Intervention -- What is foreign exchange intervention? -- Intervention and monetary policy -- The efficacy of intervention -- Conclusion -- 3. The Basics of Foreign Exchange -- A definition of foreign exchange -- The foreign exchange market -- 4. The Theory of Foreign Exchange: How Exchange Rates Are Determined -- Exchange rates and supply and demand -- The effect of exchange rates on an Economy -- Interest rate parity (IRP) -- Purchasing power parity (PPP) -- Currencies overshooting their expected levels - Rudiger Dornbusch -- 5. Foreign Exchange in Practice -- Price quotations -- How dealers cover their exposure -- Orders -- How to calculate trading profits and losses -- Recording a trade -- Rules when making foreign exchange transactions -- 6. Types of Foreign Exchange Transactions -- 1. Spot -- 2. Forward outright -- 3. Broken date contracts -- 4. Non-deliverable forward (NDF) -- 5. Swap -- 6. Forward/forward -- 7. Algorithmic trading -- 8. Options -- 7. Predicting the Future: Technical Analysis and FX Forecasting -- Technical analysis and the foreign exchange markets -- Forecasting the foreign exchange markets -- Psychology and Foreign Exchange -- Group behaviour -- Overconfidence -- Overreaction -- Attitude to risk

-- Attitude to rules -- 9. Influences on Foreign Exchange Markets -- Economic data -- Impact of central bank intervention -- Breach of technical levels -- Seasonal price patterns -- Dramatic events -- Market intelligence -- 10. A Blueprint for Trading -- Before, during and after the trade -- Managing losses -- Investment vs. Speculation -- 11. Liquidity -- Assessing liquidity. When liquidity disappears -- The carry trade and Torschlusspanik (door shut panic) -- 12. Hedging Currency Exposure -- Overview of hedging -- Sources of exposure -- The hedging process -- Impact of hedging -- Currency overlay -- Conclusion -- 13. The Management of Dealing -- Risks -- Dealing limits at banks -- Monitoring forward foreign exchange exposure -- 14. Dealing with Banks and Financial Institutions -- The provider should be financially strong -- The provider should be operationally strong -- Check the bank can supply the product and service you require -- Dealing mandate -- Foreign exchange limits -- Understanding what is on offer -- Agreements -- Banks dealing with customers -- Afterword -- Appendices -- Appendix 1. Foreign exchange solutions in brief -- Appendix 2. A simple guide to technical analysis -- Glossary -- Bibliography -- Index.

Sommario/riassunto

The foreign exchange market is the largest and most liquid financial market in the world. In recent years its volatility has been especially pronounced, which has posed problems for investors, companies and governments attempting to manage their economies. The management of exchange rates has become integral to economic performance and to the political landscape. 'Foreign Exchange, The Complete Deal', part of Harriman House's Applied Essentials series, is a comprehensive guide to this broad and exciting market, and how it is traded. James Sharpe, a foreign exchange practitioner with more than 30 years' experience, unravels the important features of the Forex market to give a clear understanding of the issues and processes involved in foreign exchange transactions. This book begins with an exploration of the historical and theoretical background to the markets as they exist today. The transition from a fixed exchange rate system to a floating system is examined and insight is given on the processes that determine exchange rates and how the system employed impacts government policy. There is also a detailed section about the influence interventions by central banks have on the market. The focus then moves to foreign exchange in practice, the core of the book. Topics covered include:- The range of foreign exchange transactions available - including spot, forward, broken date, non-deliverable forwards (NDFs), swaps and options - and how they can be used, with clear worked examples- How foreign exchange prices are quoted; bid-offer spreads; pips- How foreign exposures are hedged- How banks and dealers cover their exposure in the market and make profits- A discussion of tools that are used to analyse the market, including technical analysis- Factors that influence foreign exchange prices on a daily basis including a detailed look at liquidity- How professional traders analyse markets and provide a blueprint for professional trading- How best to choose and manage the relationship with foreign exchange providers This is an indispensable guide for those who need to understand more about the commercial realities of currency trading and hedging, providing a clear and thorough explanation of the complete world of foreign exchange.
