

On your side

The Farming  
Consultancy Group

March, 2011



World  
First  
Foreign Exchange

## Who we are

### Why World First / Agriculture

- Designated Agricultural desk
- Dedicated Relationship Manager
- Wholly owned - 100% cash funded with no debts or liabilities
- 2A 1 credit rating from Dun & Bradstreet
- Big, Secure & Agile
- World First Markets Ltd is regulated by the Financial Services Authority
- In partnership with the Country Land & Business Association (CLA)



Service business  
of the year 2010



Top 100 fastest  
growing company



Queen's Award  
for Enterprise

## What we offer

## How do we help - Service


- Direct Lines & free phone 0800 825 0 826
- Live market quotes
- Register – No Cost or Obligation
- Daily Up-to-date market reports
- Business health check
- Trade all deliverable currencies

E.G.

AUD to CAD

CHF to NOK

NZD to HRK

**Rates Update**


**GBP/EUR 1.1744 (0.8514)**  
**GBP/USD 1.6180 (0.6180)**

Please click [here](#) to see the video or read more on our [blog](#).

The Bank of England released their latest meetings' minutes yesterday and they yielded the first 4 way split in modern MPC history as 2 voted for hikes of 25bps.

**Call in for a live quote 0800 825 0 826**

Single Farm Payment historic rates

Year	Rate set by ECB
2005	0.68195 (1.4664)
2006	0.67770 (1.4756)
2007	0.69680 (1.4351)
2008	0.79030 (1.2653)
2009	0.90930 (1.0997)
2010	0.85995 (1.1628)

Anyone who owns rural land or runs a rural business could benefit from joining the CLA. [Find out more here](#).

Please [click here](#) if you would like to unsubscribe from this update.

Disclaimer: The above comments are only our views and should not be construed as advice. You should act using your own information and judgement. Although information has been obtained from and is based upon multiple sources the author believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute the author's own judgement as of the date of the briefing and are subject to change without notice. Any rates given are "interbank" i.e. for amounts of £5million and thus are not indicative of rates offered by World First for smaller amounts. ESOE: Definitions of jargon/market terms can be found in our Glossary of Foreign Exchange Terms.

## What we offer

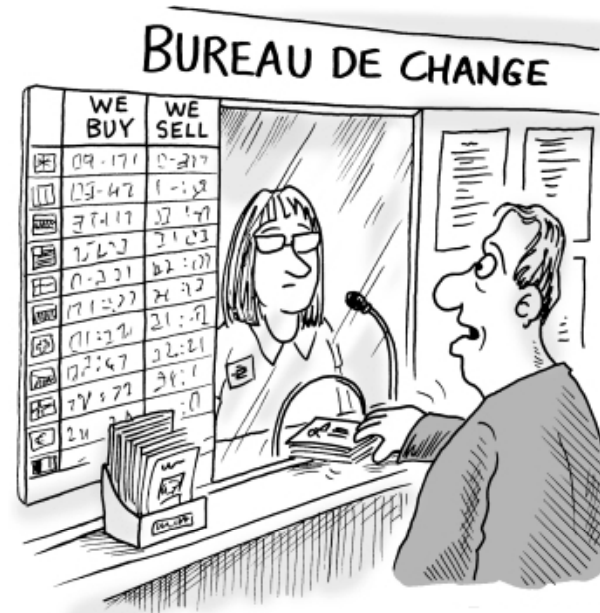
### How do we help - Price

- Bureau de Change 6 – 7%
- Bank Day Rates 1.5 – 3%
- World First Rates 1%

#### Example:

GBP/EUR per annum.

GBP/EUR Mid market	<b>1.1500 (0.8695)</b>
Bureau de Change	1.0752 (0.9300)
Bank Day Rate	1.1241 (0.8896)
World First Rate	1.1385 (0.8783)



## What we offer

**A Spot Deal:** an instantaneous transaction.

### **Hedging:**

Allows you to lock in an exchange rate for a date in the future

You can avoid currency risk

This gives your business stability with prices

There are a number of currency options available, please come and talk to me afterwards.

## What we offer

### Applicable to

- Farmers receiving their Single Farm Payment
- Importers / Exporters
- Farming Agents & Accountants
- Individuals buying cars/boats/property/Fine art etc
- Anyone with overseas interests and need to repatriate funds

### Single Farm Payment – Why choose Euro's rather than Sterling

- Allows you to lock in the exchange rate for up to 24 months in the future
- This gives you a greater level of control over your income as you are in a position to budget
- Gives you certainty

## What we offer

### GBP/EUR (Past 3 months)

Year	Rate Set by ECB
2005	0.68195 (1.4664)
2006	0.67770 (1.4756)
2007	0.69680 (1.4351)
2008	0.79030 (1.2653)
2009	0.90930 (1.0997)
2010	0.85995 (1.1628)



## What we offer

### EUR

- The eurozone is a melting pot of economies in different stages of the economic cycle
- Inflation has risen above targets.
- Portugal's Prime Minister resigns, likely chance of Portugal requesting a bail out by the EU and IMF
- Bond sales grab attention as Greece, Portugal and Ireland attempt to repay their debt
- Trichet and the ECB eye an interest rate rise in April
- Spanish debt is downgraded by Moody's, as is Greek debt
- Irish first coalition government attempts to renegotiate bailout
- Merkel under pressure not to go easy on the peripheral eurozone nations

### GBP

- Inflation looks set to remain stubbornly high.
- Interest rates rise – when?
- Budget promises growth but looked more like a deficit reduction plan.
- BoE held interest rates at 0.5% but could be heading towards a rate rise.
- Slower growth and weaker fiscal consolidation could endanger UK's AAA rating
- The UK economy shrank by 0.6 per cent in the final quarter of last year - weather being blamed
- House prices are flat at the moment, rather than falling
- Double dip recession: 'the double bottom'
- PPP: Purchasing Power Parity GBP values euro at 1.30

## What we offer

# Currency Option: Protection Option

Like a Forward Contract, it lets you set a worst case rate

Unlike a forward contract you pay a fee up front called a premium.  
This premium gives you the right rather than the obligation to buy at this worst case rate.

If the rate moves against you, you just use your worst case rate.  
If exchange rates move in your favour, you can use the improved spot rate

## Advantages

- You get all the benefits of a forward contract
- Guaranteed worst case rate
- You benefit 100% if the rate moves in your favour

## Disadvantages

- Upfront premium cost



## What we offer

# Currency Option: 50% Participating Forward

## You can benefit from 50% of the upside

You don't pay a premium, but the worst case rate you agree to will be slightly worse than a forward contract rate.

However, if the exchange rate moves in your favour, you'll benefit from 50% of any upside.

### Advantages

- Guaranteed worse case rate
- You benefit 50% in any favourable moves (unlimited)
- Zero premium to pay

### Disadvantages

- Your worst case rate is worse than a forward contract



## What we offer

Whether you're an importer or an exporter, or do any other business overseas, we can help you save money.

*“Protecting your bottom line”*

## What we offer

### All you need to do?

- Register – No Cost or Obligation
  - Online / Form / Telephone
- Direct line to dedicated relationship manager
- Access to independent analysis and advice
- Daily / Weekly up-to-date market reports

**This is where it all starts**

## Call us

**We'd love to hear from you, to learn about your business and your aims – and to see how we can help.**

**Tom Barclay** joined World First in 2008. He specialises in the agricultural sector for the Partnership desk. He holds an honours degree in International Business Studies & Finance from Bristol West of England University.

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For your protection and ours, telephone calls are usually recorded.

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