Currency Index

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Contract Types

Now that you are registered with Currency Index, you have access to our wide range of currencies and can secure trades with your currency consultant by phone or email.

There are various different types of currency contract, each suited for different situations. The four different types of contract that Currency Index offer are as follows:

Spot Contract

This is the most common type of currency order and is used for an immediate requirement, where source funds are available, and the purchased currency is required straight away. Once we have quoted and you have placed your order, you have two working days to settle your funds to us, at which point the resultant funds are immediately available for onward transfer.

Forward Contract

If you have a currency requirement in the future, for example a property completion in a few months' time, then a forward contract might be the best option for you. A forward contract allows you to lock in the rate today, for a fixed point in the future up to two years ahead, without needing all of your source funds. It is mainly used to protect you from potentially adverse market movement or just to provide a fixed settlement amount in a volatile market. In order to secure a forward contract, you need to tell us the amount you require and when you will need it, and you will have to have available 10% of the source funds as a deposit. We will then offer you a quote and once you have placed the order, you need to transfer the deposit to us within two working days and the balance to us by the maturity date, which is set as the future date you require the currency. The resultant currency is then available for onward transfer.

Limit Order

This is a mechanism for trying to achieve a rate that is better than the current market position, and hence not currently available. The currency markets are constantly moving and can be very volatile, providing short term spikes in rates, which can provide good buying opportunities. However, spikes can be very short lived and can sometimes occur outside normal office hours, which is where a limit order comes in. You can give us an instruction to buy/sell a certain amount of currency at a particular desired rate, and we place a limit order into the market for you. This order remains active 24/7 and will automatically buy your currency if the desired rate becomes available. Once triggered, the limit order then becomes either a spot contract or a forward contract as you require.

Stop Loss Order

If you are not trying to achieve a higher rate, but simply cannot afford for the market to drop below a certain point, then a stop loss order is just what you need. It operates in exactly the same way as a limit order - sitting in the market 24/7 and triggering only with certain market movement, but rather than trying to achieve a higher rate, it acts as a safety net and secures the rate if it drops to a certain point, and hence 'stops your loss'. As with a limit order, it then becomes either a spot contract or a forward contract as required.

Deciding on the right way to secure your currency depends very much on your unique circumstances and a detailed discussion with your currency consultant will enable them to guide you towards the correct mechanism for you.

If you require any further information, please do contact your currency consultant, who will be more than happy to answer any questions you have.