

Business Reporter: The 2025 outlook for FX markets

How better risk management can help businesses stay agile and proactive amid sudden shifts

LONDON, UNITED KINGDOM, November 13, 2024 /EINPresswire.com/ -- In an article published on Business Reporter, Steven Dooley, Head of Market Insights, Convera talks about how FX risk management can help businesses navigate ever-shifting currency markets. He also explains how the most important global currencies are expected to perform in 2025 based on Convera's Are you ready for 2025? report. The report's findings informs the strategic decision-making of CFOs, treasurers and small business owners alike regarding the investments they should make in risk management to hedge against the volatility of foreign exchange markets.

Currently it seems that 2025 can be both the year of rebalancing and renewed volatility as far as FX markets are concerned. Forecasts depend to a large extent on how the US dollar's going to perform. While a softer dollar could reduce trade imbalances and lower debt-servicing costs for many countries, the opposite could happen if geopolitical surprises or slower-than-expected rate cuts give the dollar a second wind. Sterling has recently been a surprising outperformer, buoyed by political stability and strong economic fundamentals. If this positive trend prevails, the Bank of England is forecast to continue to cut rates in 2025, and the pound may maintain its strength thanks to favourable yield differentials.

In contrast with the upward trends in the US and the UK, the euro has been struggling to gain momentum due to sluggish economic growth in the Eurozone. If the European Central Bank continues to ease monetary policy, businesses may expect a further downward pressure on the euro.

To learn more about future trends in the FX market, <u>read the article</u>.

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