

March 8, 2021

## **HSBC launches FX HEAT**

*A next-generation analytics tool for FX Hedging*

(London) – HSBC announced today that it has developed **FX HEAT**, a new tool for asset managers and institutional investors to independently analyse the effectiveness of their currency hedging strategies.

Asset managers and institutional investors will be able to access independent reports on an automated basis to enhance the governance and oversight of their foreign exchange hedging.

As a leading provider of outsourced FX risk management services, HSBC's [FX Services](#) team worked in collaboration with an independent quantitative specialist to develop FX HEAT ('FX Hedge Efficiency Analytics Tool').

FX HEAT will also enable investors globally to assess on an ongoing basis the quality of HSBC's FX hedging and its impact on their returns.

**Vincent Bonamy, HSBC's Head of Global Intermediary Services, Markets & Securities Services**, said: "Investors want more clarity than ever before during uncertain times. They want to understand the costs and the risks associated with currency hedging for their fund portfolios. FX HEAT can help clients strengthen their own internal governance with independent oversight of their FX strategies' performance."

**Sebastien Danloy, HSBC's Global Head of Asset Owners & Managers, Markets & Securities Services**, said: "HSBC is one of the world's largest custodians, providing asset owners and managers with access to our market-leading global FX business to manage the currency risk in their portfolios. FX HEAT will help our clients improve the efficiency of their operations with independent hedging efficiency analytics."

FX HEAT provides clients with a detailed overview of the performance divergence contributors between currency hedged and non-currency hedged investment returns. These include a series of market-driven and operational factors. With this type of analysis, FX clients are able to make decisions on optimising the FX hedging efficiency of their investments.

FX HEAT is also set to be integrated by year-end into HSBC Evolve, HSBC's award-winning single-dealer FX execution platform.

– Ends –



## News Release

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### **About HSBC**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,984bn at 31 December 2020, HSBC is one of the world's largest banking and financial services organisations.