

[Company Letterhead / Logo]

**Date:** [Insert Date]

**To:** [Client Name / Department Name]

**Attn:** [Contact Person]

**Subject:** ADVISORY: Currency Volatility Risk Exposure

Dear [Name],

We are writing to formally advise you of the increased volatility currently observed in the foreign exchange markets, specifically regarding the [Currency Pair, e.g., USD/EUR] exchange rate.

As your organization maintains active exposure in [Currency], it is important to acknowledge that recent market fluctuations may impact the valuation of your [assets/liabilities/outstanding invoices]. Significant shifts in exchange rates can lead to unforeseen increases in costs or reductions in realized revenue.

**Current Market Observations:**

- Current Spot Rate: [Insert Rate]
- Recent Percentage Change: [Insert %] over the last [Time Period]
- Key Drivers: [Briefly list e.g., Interest rate changes, geopolitical events, or inflation data]

**Risk Mitigation Recommendations:**

In light of this volatility, we recommend reviewing your current hedging strategies. Potential actions for consideration include:

- Utilizing Forward Contracts to lock in current rates for future obligations.
- Implementing Limit Orders to automate transactions at specific price targets.
- Reviewing Currency Option structures to protect against downside risk while maintaining upside potential.

Please note that this letter is for informational purposes only and does not constitute financial advice. We suggest a formal review of your exposure at your earliest convenience.

Should you wish to discuss specific hedging instruments or require a detailed analysis of your exposure, please contact your account manager at [Phone Number] or [Email Address].

Sincerely,

[Your Name]

[Your Title]

[Your Company Name]