

N. M. STRELCHENKO*Private higher educational establishment
“Constabulary financially-legal academy”, Kyiv***CURRENCY ARBITRATION IN STRATEGIES OF UKRAINIAN BANKS**

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In the article general descriptions and properties of market of currency arbitration and process of his integration and distribution are considered in a network the Internet. analysed theoretical aspects of risks that take place during realization of arbitrage operations. the methods of the politics sent to the exposure and liquidation of pre-conditions of financial instability are considered.

In the conditions of distribution of globalization transnational banks carry out the responsible role of important financial institutes, as they provide a basis for turnover and, accumulating free money temporally, provide flowing of capitals between the different sectors of economy and industries of national economy. What about home banks, for today they force to function at difficult terms, being in the center of contradictory crisis and difficult forecast processes that take place in a financial sphere at terms trance of nationalization of capital.

Thus, aiming to provide the guarantees of profitability of the activity, transnational banks are in the permanent search of ways of adaptation to the terms of variable competition environment and providing of continuity of the input money streams and satisfaction of necessities of clients not only in an amount and variety of types of currencies but also after the most advantageous course for forming of the proper level of profitability. One of methods of decision of the marked tasks is the use of strategies of currency arbitration

In Ukraine the researches of separate questions of activity of transnational banks at the currency market devoted labours of V. I. Michshenka, A. M. Moroz, A. C. Filipenka, in particular, by arbitrage operations, O. I. Bereslavskoyi occupy [8], Yu. O. Blachshuk, O. V. Dzubluk [2], O. S. Prutskiy [2], M. I. Savluk [8]. Deserve attention of research of foreign

specialists: M. K. Bunkinoyi, O. L. Krasavinoyi [1], G. Meysona, I. Ya. Noskovoyi, M. Pebro, I. N. Platonovoyi, K. Redheda, P. Roza, J. Sinki and many other.

At all meaningfulness of developments of international researchers, in the nearest presumably there will be active interest him in the questions of organization of operations of currency arbitration and mechanism of his control, about what testifies that from the daily volume of monetary agreements, that attained a mark 3,5 billion of dollars, only 10 % really mediated motion of cash commodities and capitals. The annual volume of international financial operations in 10–15 times exceeds the scales of world trade. The increase of volumes of fictitious capital and speculative actions in the field of it substantially complicate the observance of equilibrium between the major spheres of world economy [6, 86]. It is marked higher specifics on actuality of research theme, her a theoretical and practical value is important both for the countries-donors of capital and for countries-recipients.

In this connection the aim of this article are a ground of practical methods of arbitrage operations and construction of strategic model in relation to a management by them.

This type of arbitration can come true in a network the Internet, then electronic digital forms will go for a dip on one web-sites, are for sale on other, maybe even with other domain

names, id est with other geographical attachment (spatial), after some time at advantageous oscillation of course (sentinel) or when digital forms will go for a dip on one web-site, and after some time at advantageous oscillation of course will be sold on other (combined), as shown on Fig. 1.

These strategies are more difficult and need high professionalism for their implementation, as the least rejection in miscalculations can turn around considerable losses. A currency arbitration belongs to such strategies, id est purchase/sale of foreign currency banks with a further reverse operation with the aim of receipt of income from the difference of rates of exchange in time, and also as a result of differences in a currency exchange rate on different currency markets [5, 171].

Modern strategies of defence of banks from currency and other types of financial risks were not purchased high level of perfection. These strategies outgrew the initial setting, namely is hedging, defence – and give an opportunity to get an income during minimization of risk.

A currency arbitration is an operation on the differencesale of currency with the next reverse acceding to the aim of receipt of income of of rates of exchange. An arbitration can work on the basis of quotation of two kinds – direct and indirect.

Interest arbitrage is base on the use of differences banks between interest rates on the different markets of the borrowed capitals. The

proprietor of some currency can place her at the market of the borrowed capitals in other currency after more advantageous interest rate. An ultimate goal of proprietor of currency is a receipt of higher income, than bank would get, inlaying her directly without an exchange on other currency. In dependence on the estimations of dynamics of currency pair it can not insure a currency risk or temporally to carry out an operation from hedging on the more favourable terms. Interest arbitrage has two forms:

- without forward coverage is the purchase of currency after a current course with the next placing her on a deposit and reverse conversion after a current course after completion the term of deposit. This form of interest arbitrage is related to the currency risk;
- with forward coverage is the purchase of currency after a current course, placing of her is on a time deposit and simultaneous sale after a forward course. This form of interest arbitrage does not cause currency risks.

Interest arbitrage includes two agreements: credit drawing at the foreign market of loan capitals, where rates below; the use of equivalent of the adopted foreign currency is at the national market, where interest rates higher.

On duration currency positions that is created for realization of arbitrage operations are divided into two kinds.

Daily position – a dealer opens and closes positions during a working day with calculations upon one date of currency. Thus the least

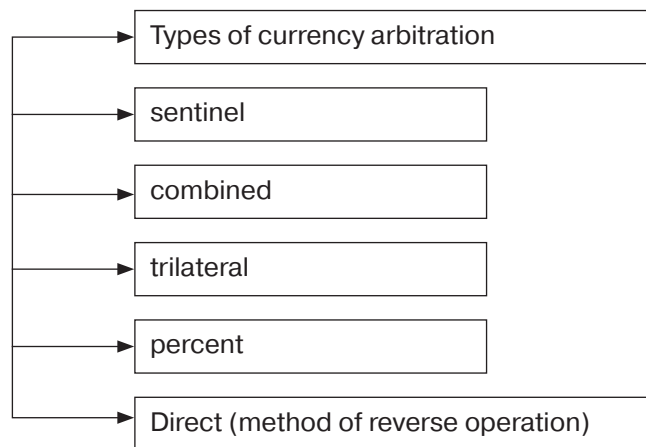


Fig. 1. **Types of of currency arbitration** [well-organized by an author]

of agreements can be two (one — after the purchase of currency, other — after a sale), the maximal amount of agreements is limited to only physical possibility of dealer to conclude them. Strategy of minimization of currency risk envisages the obligatory closing of daily positions upon this date of the use of currency as payment.

For example, the London dealer that trades on a spot on arbitrage operations with world currencies opening positions for a day, must to the end of day them fully to close. Thus he registers made agreement to the special sheet of paper (or in a magazine) that lies before him on a table: bought base currency (long position) is written down with a sign “+”, sold (short position) — with the sign of “-”. After closing in the evening of position upon the date of currency after these currencies a dealer puts a fat square zero in a column “position”, working out the total to the working day. From a word a square (square) takes place slang expression: “I am of squared” or shortly “sq”, that means that a bank made off conversion operations upon this date of as payment.

The actions of arbitrageurs create additional suggestion of one currencies and additional demand on other currencies. A competition between arbitrageurs results in a volume, that an income from arbitration is so small, that practically course of exchange and race-course of and levels. At the same time a trilateral arbitration creates a mechanism that evens demand and supply on currency on all currency markets. Hereupon an export always promotes the cost of currency of country at measuring of her in currencies of other countries, and an import reduces the cost of currency regardless of to what country an export goes what country an import comes from.

For example, the bank of Ukraine takes a loan in Great Britain under 5 % annual, then converts the British pound in the Ukrainian hryvnyas after the course of available operations and places them at the national market under 17 % annual. A profit on the difference of interest rates will make 12 % annual. When the term of redemption of the got loan comes, reverse conversion comes true, id est hryvnyas are for sale on pound. A large value at creation and

hedging of currency positions within the framework of interest arbitrage play option agreements that allow to fix the already got profit on a difference in percents, simultaneously insured against his loss at the not forecast oscillation of rates of exchange.

The variety of this operation is the currency-percent arbitration, based on the use of difference of interest rates a bank on operations that come true on different terms. This type of arbitration will be advantageous in our example, if winning on a positive difference between interest rates in Britain exceeds an unfavorable for a pound exchange rate difference on operations “swapfile” at conversion of currencies taking into account charges for operations.

The difference of arbitrage operations from currency swapfiles consists in that the last envisage combination of purchase-sale of currencies on the terms of immediate delivery with a simultaneous urgent operation. A dealer is oriented on short-term character of operation and tries guess oscillation of courses in a short interval between agreements. Sometimes for a day he changes the tactics repeatedly.

For this purpose he must well know a market and able him to forecast, constantly to analyse the results of activity of other banks, support contacts with other dealers, to watch motion of rates of exchange, interest rates, to define reasons and direction of vibrations of courses. At the same time, arbitrage operations envisage a conclusion in relation to the independent acceding of purchase-sale of currencies to the aim of receipt of income. If for the real conversion operation both on a condition spot and on a condition a forward is ensuring against currency risks, then for arbitrage is possibility of receipt of speculative income that provides to the high volatility market [10, 278–279].

Yet one difference of speculative operations is possibility of simultaneous presence on many different markets, in fact in the real purchase or of currencies a trader is not interested the sale of not one [10, 281].

Regardless of aim of realization of currency operations, whether that for the receipt of speculative income, or for implementation of the real **currency-exchange** operation, the key is

remained by a question in relation to optimization of their results [10, 278].

By the basic feature of operating during 2000–2012 years. the systems of the currency adjusting are that she practically does impossible realization of arbitrage operations through imposed restriction on an operation with currency at an own expense commercial banks. Id est operations on a sale or purchase of currency at the cashless market come true by banks by proxy and for money of clients of banks.

Thus the operating mode of their realization binds possibility of realization of purchase of currency to the actual necessity of client in relation to realization of the real operations for payment of import of commodities or services, implementation of financial obligations and others like that. Existence of such limitations substantially narrows possibilities of influence of temporal conjuncture factors on the increase of demand that substantially diminishes the risks of speculative attacks and positively influences on stability of course. In such terms the National bank has wide enough possibilities in relation to forming of desirable level of course and smoothing of his vibrations [7, 39].

The fundamental step of the National bank of Ukraine in direction of further liberalization of operations at the currency market was an acceptance the NBU of Statute № Board 281 [9], in accordance with that it is let to conduct arbitrage operations banks, id est simultaneously to come forward both as a salesman and customer of certain foreign currency during realization of one Trade session, and also to conduct converting of foreign currencies of 1-st group of Classifier in foreign currencies of 2-nd group of Classifier and vice versa.

The chairman of rule of bank (financial institution) to beginning of working day sets the only course of purchase and sale of foreign currencies for hryvnyas according to the order (by an order) of bank (financial institution). Other leaders have no authority to set the courses of purchase and sale of foreign currencies for hryvnyas. A bank (financial institution) has no authority to change the value of course of purchase and sale of foreign currencies during an operating day [3].

It costs to mark that NBU does not allow, that in the cashdesk of branches of bank, that is located after different addresses in a the same working day, the different values of courses of purchase and sale of foreign currencies were set. It, in opinion of author, does not allow to the banks to use the state of affairs of local available currency market and carry out thus original spatial arbitrage operations with the aim of receipt of additional incomes. The second moment is and that a bank can not change the value of courses of purchase and sale of foreign currencies in a cashdesk during a working day. It, from the point of view of author, does not give to possibility of the operative reacting on the changes of demand or suggestion of currency at the local market, especially in periods of political or economic instability.

On the whole, as foreign experience testifies, the construction of strategic case arbitrage operations frame depends on the conceptual aims of activity of bank on a prospect is providing of dynamic increase or minimization of risks and support of his image as a financially proof bank. In both cases a strategic management risks is the inalienable attribute of bank active management.

In practice it is distinguished in specific risk strategy with the special principles, aims and tasks [4, 141–143]. Also and at arbitrage operations the rational use of information about risks, systematization of risk management, centralization of the marked process, promote efficiency of process of management currency risks substantially. Id est presence of separate specialists that watch after demand and supply of currency on different markets and analyse the dynamics of rates of exchange in time, plenitude and authenticity of information on a situation in Ukraine and world will allow in good time to react on changes.

In future, owning information on risks, banks have her to systematize, id est rationally to use her with the aim of increase of efficiency of business and cutback of spending, that is arrived at by the maximal use of technological instruments and automation of processes, including monitoring and control of management of data [4, 142–143]. During centralization of the col-

lected information, the necessity of realization of control falls off from the side of local and regional subdivisions of bank.

Conclusion. A management a currency risk must envisage realization of him the detailed analysis, evaluation of possible consequences and choice of methods of insurance. One of such possibilities of management of currency risk in the modern economic system there is an arbitration with his various kinds.

It follows to underline that arbitrage operations though especially speculative, but have large economical value for all financial market, as a currency arbitration establishes a connection between motion of short-term capitals and dynamics of interest rates on national and foreign markets of the borrowed capitals, but intervention from arbitrageurs gives an opportunity to provide intercommunication of courses of currencies and adjusting market that assists the temporal smoothing of courses on different markets, promoting firmness of currency market, creating terms elimination of different conjuncture jumps for moving of speculative "hot" money.

Currency arbitration as one of strategies of defence of banks from a financial risk next to the correct choice of currency of realization of operations, adjusting of currency positions, currency warning far does not exhaust all possibilities of management of currency risk in the modern economic system, however gives common imagination about principles of him realization in practice, by especially small banks. System of instruments of currency-course politics of Ukraine, that developed constantly, on this time envisages the construction of specific risk model with the special principles and tasks for every bank depending on his concrete aims and strategy.

The basic scientific result of research consists in the improvement of types of arbitrage operations and description of application of possibilities of currency arbitration on spaces of network the Internet. The self variety of elec-

tronic digital forms stipulates his possibility and specific in virtual space.



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Application of currency arbitration of different kinds will give possibility to minimize risks as a result of oscillation of rates of exchange at realization currency operations and payments, optimize an effect from realization of specula-

tions, to give possibility effectively to apply currency clauses in external economic contracts.

Застосування валютного арбітражу різних видів дасть можливість мінімувати ризики внаслідок коливання валютних курсів при здійсненні валютних операцій та платежів, оптимізувати ефект від здійснення спекуляцій та результативно застосовувати валютні обмовки у зовнішньоекономічних контрактах.

Использование валютного арбитража разных видов предоставит возможность минимизировать риски в результате колебания валютных курсов при осуществлении валютных операций и платежей, оптимизировать эффект от осуществления спекуляций и результативно применять валютные оговорки во внешнеэкономических контрактах.

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