

Essay on you will be a financial advisor for a large bank in the united states. y...

[Finance](#), [Investment](#)



Let me first and foremost extend my gratitude to you, Katherine's Coffee Company, for opting to accord me the pleasure of being your financial consultant. You can be assured that your financial needs and queries are in safe hands. It is worth noting that any serious and focused business entity venturing the ever-dynamic international market should invest in proper analytical financial acumen. The international market being overly liberal demands a lot from an entity such as yours in terms of precautionary measures. The trade is summed up by the use of foreign exchange transactions. I am experienced and well versed with the financial implications and operations of the foreign currency on the international trade. My expertise has been over the years tested and tried by many corporations that faced predicaments due to effects of the American dollar to the international trade. The effects center on appreciation and depreciation of the currency that impact greatly on exports and imports, profits and losses of a business entity such as yours, as well (Reuvid, 2011).

The dollar has experienced several dynamic scenarios that have altered the international trade through 1980s, 1990s and 2000s decades. The forces behind this have mostly been influenced by the market and government behavior. The market psychology entails perceptions by firms or traders while the governmental behavior is pegged on the policies and political conditions projected (Reuvid, 2011). As per history, the 80s decade saw the U. S dollar exchange value appreciate initially then depreciate as time went by. The initial appreciation was linked to the strict governmental monetary policy that was aimed at taming the double-digit inflation rates back then. This led to an influx of foreign investors. My advice then to my foreign clients

was to invest cautiously to avoid loss or commitment of too much funds in an unpredictable business environment. As the appreciation eased off due to speculative behavior by many of the investors that the U. S dollar would keep on appreciating, depreciation set in. This was not in favor of the majority of foreign investors. This precipitated weakening of the dollar, an unfavorable scenario for the foreign business entities trading with America. My clients were able to salvage much financially than their other counterparts as they had treaded carefully while investing (Carbaugh, 2009).

The following decade saw a recession in 1991 and less demand for the U. S dollars bringing about depreciation. My foreign clients gained from this by importing American products. This was because the weakened dollar made American products cheap. Trade liberalization, IT expansion, and heightened consumer demand characterized the mid years of this decade (Carbaugh, 2009). These factors were crucial in enhancing local and foreign investment as stability and acceleration in economic growth was assured. It also brought about appreciation that worked well for many exporting U. S business firms. Many of my local American clients under my advice opted to invest due to the factors mentioned earlier.

The 2000's decade saw a rise in the dollar and an influx of investment. This projected an appreciation of the U. S dollar. Many of the importers saved much as the other currencies were relatively cheaper compared to the U. S dollar. The increased appreciation also meant that there would be lower inflation because imports were cheaper, cost-cutting measures by the competitors in order to stay competitive and a lower Aggregate Demand

(AD) (Carbaugh, 2009). My advice to my American clients was to invest in imports and foreign outsourced services. The 2002-2004 recession, one of the worst in America, altered the economy. Many of my clients pulled out of stocks and held on to less long-term assets in order to shield themselves from the grave effects of the recession. The year 2005 witnessed monetary policies that temporarily stabilized the dollar, which later on fluctuated. At this point, my international clients were cautious as they ventured into buying American exports due to the unpredictable fluctuation of the dollar (Reuvid, 2011).

Dear Client as you have seen over the past decade my consultancy has been able to predict correctly the trend that the dollars will follow. I believe our partnership will lead to improvement of your international business, as I will strive to offer timely advisory on how to invest on the dollar in order to hedge your international business from volatile currency fluctuation.

References

Carbaugh, R. (2009). International economics. Mason, Ohio: Southwestern Cengage Learning.

Reuvid, J. (2011). International trade an essential guide to the principles and practice of export. London Philadelphia: Kogan Page.