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| **CHAPTER ONE**ArbitrageForeign direct investmentGlobalizationMultinational corporationTax arbitrage**TWO**Currency depreciationExchange rate Freely Floating exchange ratePegged currency**FOUR**Covered interest arbitrageFisher EffectInterest Rate ParityInternational Fisher EffectLaw of One PricePurchasing Power ParityUnbiased forward rate**SEVEN**Bid-ask spreadCHIPSCross rate currency arbitrageDirect quotationForward contractForward premiumHedgersHerstatt riskIndirect quotationInterbank marketSWIFTSpot marketSpot price | **EIGHT**American optionAt-the-moneyCall optionCurrency futureCurrency optionEuropean optionExercise (strike) priceFutures contractInitial marginIn-the-moneyMaintenance marginMargin callMarking to marketOut-of-the-moneyPut option**EIGHTEEN**Banker’s acceptanceBill of ladingCash in advanceCommercial invoiceConfirmed letter of creditDiscounting DraftExport credit insuranceFactoringForfaitingIrrevocable Letter of CreditNonrecourseOpen account salesRecourseSight draftTime draft |