

Case Study

Commodious Trading





CASE STUDY



A Currency Risk Management
Customer for Over 6 Years

Company Overview

Commodious Trading Inc. (CTI) is an international trader and processor specializing in the export of lentils, peas, chickpeas, canary, and flax seeds to world markets. Annually, CTI handles more than 25,000mt through their licensed and bonded trading offices near the port of Vancouver and their processing facility in Weyburn, Saskatchewan. Their market knowledge, operational efficiency, stability, and reputation have allowed them to become a highly preferred shipper for specialty crop buyers around the world. CTI is a corporation that is small enough to be agile and take advantage of market opportunities while being large enough to own their own processing facilities. They can provide customer service to smaller buyers that the multi-national corporations do not often offer.

The Challenge

CTI's commodities carry thin trading margins, making it difficult to generate significant profits with smaller volumes compared to the bigger companies without taking significant risk. In CTI's industry, the multi-nationals set the market and their profitability metrics do not always

allow for a natural processing and export margin to exist on a day-to-day basis. As a smaller player, CTI must position themselves to manage risks, and take advantage of opportunities when they are available to them.

Lastly, CTI started their search for a new vendor when they stopped receiving the support and service they needed for their business. The changes with their previous vendor also involved CTI losing their dedicated account representative. This challenge led CTI to opening an account with Corpay in 2016.

Why Corpay

For CTI, margins are thin and FX decisions make or break profitability on a trade. As a result, they can't be in every market at every minute at once, and so it is important to have a vendor CTI can trust who understands their business, their goals and their positions. CTI chose to look at Corpay because of an established relationship with Corpay's Account Representative.



What stood out to CTI during the process was that the decision-makers came directly to them, had the answers in hand to CTI's questions and concerns, and were forthright about their capabilities and expertise.

The previously existing relationship with the Account Representative, the size of Corpay, and the ability to use Corpay to book a variety of options products, were key features that persuaded CTI to choose Corpay. The result has been a great fit for CTI's needs. The Corpay team looks out for their needs and offers options unique to CTI's evolving day to day situation, from market updates to notifying them of certain regulatory changes.

The Solution

In general, CTI was looking to build redundancy and hedging into their operational and trading systems to reduce the risk of incurring large losses, and with Corpay they gained a trusted vendor to help them meet this goal. Corpay's wide range of risk management solutions has helped them handle hedging to better manage tight margins. – And this, likewise, has helped CTI better manage FX risks. The relationship has also helped CTI with the constant balancing and re-balancing process they needed to manage every day. Corpay's solutions, knowledge and expertise – such as their in-depth knowledge of government regulations – have altogether helped to streamline the process and free up time for CTI to focus on other facets of the business.

- Excellent Customer Service: CTI's Corpay Account Representative reliably addresses CTI's needs, providing expertise and solutions when needed.
- Robust Market Information: CTI enjoys access to enlightening educational opportunities such as webinars and market commentary, through which we get to hear from Corpay's Market Strategy and Market Research Teams, as well as their other experts.

“At least once a month I get a call from a competing FX company willing to shave a few points to get me in the door. Not one of them seems to be willing to do the hard work necessary to understand our individual needs and ensure we have all the tools required to manage our currency exposure like Corpay has proven to me year after year. Our relationship with Corpay allows me to give extra attention to the other areas of our business without compromising this important function.”

David Newma

President | Commodious Trading

- No-hassle FX solutions: CTI has the ability to make trades early and implement some adjustments as needs evolve, while also having access to an excellent range of option contracts for every situation.

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