

GFXC Issues Statement on FX Market Conditions

26 March 2020

Given the intense volatility seen in global financial markets this month, it is possible that FX market participants may execute larger than usual FX volumes during end-of-month benchmark fixings. In addition, FX market participants may face more operational constraints reflecting lockdown in some financial centres. In light of these possible developments, significant volatility and price movements may be observed during FX fixings in the coming days.

To reduce the potential impact of this volatility on market functioning, and market participants' execution outcomes, the Global Foreign Exchange Committee (GFXC) encourages market participants to:

- Give appropriate consideration to market conditions and the potential impact of their transactions and orders [see Principle 12, [FX Global Code](#)];
- Be aware of the risks associated with the transactions they request and undertake [see Principle 9, [FX Global Code](#)];
- Clearly understand how orders will be handled and transacted [see Principle 9, [FX Global Code](#)];
- Price transactions in a manner that is transparent and consistent with the risk borne in accepting such transactions [see Principle 10, [FX Global Code](#)];
- Exercise particular care and attention when handling orders that have the potential to have sizable market impact [see Principle 10, [FX Global Code](#)];
- Ensure adherence to internal guidelines and procedures for collecting and handling executing orders [see Principle 10, [FX Global Code](#)]; and
- Handle orders with fairness and transparency [see Principle 9, [FX Global Code](#)].

In these unprecedented times, we encourage market participants to be aware of how their actions can ensure the FX market remains robust, open, fair and appropriately transparent such that market participants are able to confidently and effectively transact at prices that reflect available market information and in a manner that conforms to acceptable standards of behaviour.

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