



Minutes of the Foreign Exchange Committee

Meeting: February 25, 2026

Host: Virtual

FXC Attendees

Yudhveer Chaudhry (Blackrock) - Chair
Maria Douvas (Morgan Stanley) – Vice Chair
Hemant Baijal (Invesco)
Chris Chattaway (Goldman Sachs)
Sally Francis-Cole (LSEG)

Bimbola Fawehinmi (UBS)
Andrew Haning (Jump Trading)
Akiko Hayata (Payden & Rygel)
Paul Houston (CME)
Dan Lennon (CLS)

Garrett Wilson (Alphabet)
Chris Pizzotti (State Street)
Yan Pu (Vanguard)
Jeremy Smart (XTX Markets)
Fuad Muvdi (Citi)

Federal Reserve Bank of New York

Roberto Perli
Lisa Chung
Martin Prusinowski
Shawei Wang
Ethan Gary

Anna Nordstrom
Pertshuhi Torosyan
Patrick Douglass
Kyle Schulz

FRS Board of Governors

Bastian von Beschwitz

The Chair opened the Foreign Exchange Committee (FXC) meeting by welcoming members and introducing two new members to the Committee: Jeremy Smart (XTX Markets) and Fuad Muvdi (Citi).

1. Annual review of FXC Charter & Antitrust Guidelines

New York Fed staff then conducted the annual review of the FXC Charter and Antitrust Guidelines. Minor clarifying changes to the FXC Charter were shared with members. New York Fed staff reminded members (i) not to share non-public, competitively sensitive information in FXC discussions, and (ii) to raise any concerns about anti-competitive conduct to their own attorneys, directly to New York Fed staff, or through the Bank's integrity hotline (1-877-52-FRBNY or 1-877-523-7269).

2. Update from the December GFXC Meeting

Members received an update on the Global Foreign Exchange Committee's (GFXC) [December 2025 meeting](#). The recent publication of the FX Settlement Risk working group's paper on [FX Market Preparedness for the UK, EU, Switzerland & Liechtenstein Move to T+1 Securities Settlement](#) was cited as a key achievement. Looking ahead, priorities for the FX Data working group were noted as raising awareness on Disclosure Cover Sheets to promote adoption amongst liquidity providers and platforms as well as investigating the accessibility of freely available spot reference rates. For the Motivation for Adherence working group, efforts related to advancing buy-side FX Global Code adoption with asset managers and hedge funds as well as strengthening engagement with the corporate sector were also discussed.

The Committee was then updated on a presentation at the GFXC meeting from the International Organization of Securities Commissions (IOSCO) on their [Final Report on Pre-hedging](#), which recommended guidance largely aligned with the Code's principles regarding pre-hedging. Additionally, an update was provided to members on the International Swaps and Derivatives Association's (ISDA) presentation on new FX and Currency Option Definitions which included an overview of the updates to disruption events and fallbacks for deliverable FX trades.

Lastly, members received an update on plans for the creation of a GFXC Technology & Innovation Working Group focused on analyzing the implications of emerging technologies such as AI, stablecoins, and central bank digital currencies on the FX market. Additionally, the Committee was informed that the selection process for the next GFXC Chair is currently underway as Gerardo Garcia's (Banco de México) term as Chair is scheduled to end at mid-year. The next GFXC meeting is scheduled to take place on June 4-5th, 2026 in Toronto.

3. 2026 FXC Priorities

The Committee discussed FXC's 2026 strategic priorities with members sharing views on broader topical issues and FX market themes that are of interest, particularly in advance of a possible 2027 FX Global Code review. Some of the topics discussed include the impact of emerging technologies such as AI and machine learning in FX markets as well as the potential impact of digital asset adoption, including stablecoins and tokenized assets. Examining the FX market impact from other markets moving to shorter settlement cycles was also identified as an area of focus amongst the Committee. Regarding upcoming FXC meeting discussions on market developments, members expect to continue to discuss topics such as the evolution of FX hedging strategies, monitoring of FX liquidity and volatility trends, and trends related to the U.S. dollar's role as a reserve currency.

4. Discussion of Recent Market Developments

The meeting then turned to a discussion of market developments since the November FXC meeting. Committee members began the discussion commenting on the U.S. economic outlook, noting the economy remains resilient with cooling labor markets and inflation approaching the Fed's target. Strong AI-related capital expenditure was viewed as likely to support growth throughout 2026, although some members also noted that a boost to productivity from AI has not yet been observed in economic data. Regarding the path of Fed policy, downside risks to the policy rate were discussed amid lackluster employment data and the perception that the recent Fed Chair nominee is perceived as unlikely to support rate hikes under current conditions. Members also noted the market's focus on the stance of the Chair nominee towards the Fed's balance sheet policy and how that might impact policy expectations going forward.

With respect to the outlook for the U.S. dollar, factors supporting an incrementally less bearish dollar view among members included a strong U.S. growth outlook relative to other advanced economies, extended short dollar positioning, and rising geopolitical risks. More broadly, members observed that the G10 FX landscape had been relatively sanguine with a lack of market consensus on directionality, except for the Japanese yen with recent depreciation pressure viewed as driven by domestic political and fiscal policy uncertainty. Members discussed the request for indicative quotes, known as "rate checks," on the dollar-yen exchange rate performed solely on behalf of the U.S. Treasury by the Federal Reserve Bank of New York as fiscal agent of the U.S. The "rate checks" were viewed as a significant development insofar as market participants now perceive U.S. Treasury FX policy as being more activist. Nevertheless, members speculated that actual FX intervention was needed to halt further yen weakness. Continued portfolio diversification amongst global investors into emerging markets was cited as a key trend, though some members also highlighted crowded positioning in these markets. Lastly, FX hedge ratios among global investors were observed as holding steady following the dollar's initial depreciation in Q1 2025, though members noted that shifts in hedging flows remain an important FX market watchpoint.

The meeting concluded with a discussion on precious metals and crypto markets in the context of global investors' asset reallocations. It was noted that demand for gold remained strong from both retail and official sector reserve managers. Members also discussed the divergence in performance between the sharp rise in gold prices and the selloff in Bitcoin over the last year, with shifting investor preferences and risk appetite noted as driving price action.

5. Other Business

The next regularly scheduled FXC meeting will be held on April 15, 2026.