

■ ANNOUNCEMENT

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Foreign Exchange Committee Releases FX Volume Survey Results

New York, January 28, 2008

The Foreign Exchange Committee today released the results of its seventh Survey of North American Foreign Exchange Volume. For the October 2007 reporting period, key findings include:

- average daily volume in over-the-counter foreign exchange instruments (including spot transactions, outright forwards, foreign exchange swaps, and options) totaled \$701 billion;
- average daily volume of transactions across all instruments increased by 31.3 percent overall compared with the October 2006 reporting period;
- the percentage of total volume derived from spot transactions rose from 44 percent in April 2007 to 53 percent in October 2007, as reported spot volume rose 35 percent while volumes for all other instruments remained flat or declined.

"Our latest survey shows a dramatic increase in overall foreign exchange volume since our last survey, the bulk of which has been driven by an increase in spot trades," said Richard Mahoney, Chair of the Foreign Exchange Committee. "The Foreign Exchange Committee's semi-annual volume survey continues to be a valuable tool for following trends in the foreign exchange market. We think that the fact that this survey was conducted last fall during a time of some concern about market functionality and liquidity makes it especially useful for market participants."

The survey was developed in order to provide the market with frequent information on the size and structure of foreign exchange activity in North America. To achieve a representative survey, the Committee invited thirty-one leading financial institutions active in the North American foreign exchange market to contribute data on the level of turnover during the month of October 2007. The Committee also collaborated with the United Kingdom's Foreign Exchange Joint Standing Committee (FXJSC), the Singapore Foreign Exchange Market Committee (SFEMC), and the Canadian Foreign Exchange Committee (CFEC), which conducted similar surveys for the U.K., Singaporean, and Canadian markets, respectively, over the same time period. The FXJSC, the SFEMC, and the CFEC are releasing their survey results today.

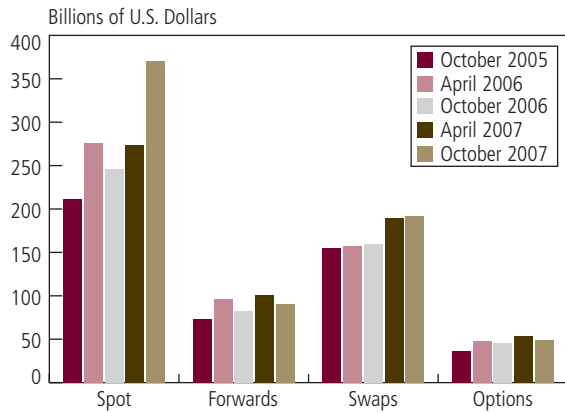
For the purposes of the survey, turnover is defined as the gross value of all new deals entered into during the reporting period and is measured in terms of the notional amount of the contracts. Survey data are broken out by four foreign exchange instruments, thirteen currency pairs, four counterparty types, and five execution method categories and are reported both in terms of daily average and total monthly volume. The reporting basis for the survey is the location of the price-setting dealer. While similar in nature, the survey is not comparable to the Bank for International Settlements' Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity, given the differences in the reporting methodologies.

The Foreign Exchange Committee includes representatives of major domestic and foreign commercial and investment banks engaged in foreign exchange transactions in the United States, as well as foreign exchange brokers. The Committee's objectives include 1) serving as a forum for the discussion of best practices and technical issues in the foreign exchange market, 2) fostering improvements in risk management in the foreign exchange market by offering recommendations and guidelines, and 3) enhancing the legal certainty of foreign exchange contracts through the development of standard documentation. The Committee was formed in 1978 under the sponsorship of the Federal Reserve Bank of New York.

The results of this survey, together with the list of reporting dealers and explanatory notes, are available online at <<http://www.newyorkfed.org/fxc/volumesurvey>>. The results of the Foreign Exchange Joint Standing Committee's survey for the

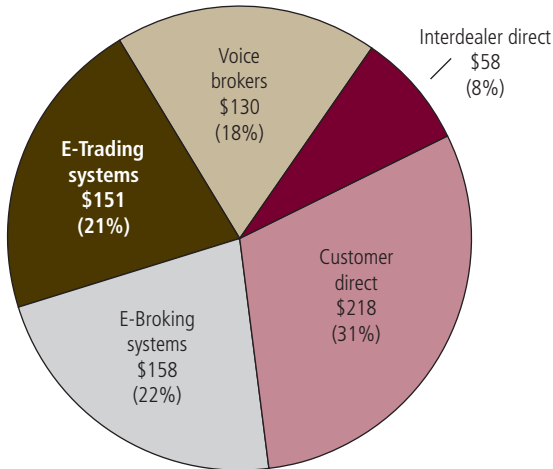
U.K. market can be found at <<http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm>>. The results of the Singapore Foreign Exchange Market Committee's survey for the Singaporean market can be found at <<http://www.sfmc.org/statistics.asp>>. The results of the Canadian Foreign Exchange Committee's survey for the Canadian market can be found at <http://www.cfec.ca/fx_volume.html>.

Average Daily Volume by Foreign Exchange Instrument



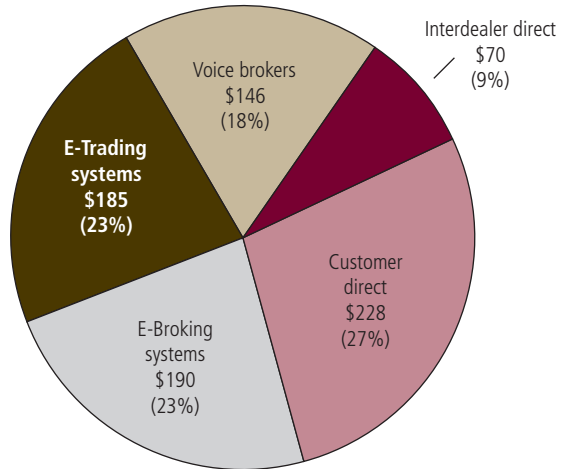
Average Daily Volume by Dealing Channel, April 2007

Billions of U.S. Dollars
Total = \$716*



Average Daily Volume by Dealing Channel, October 2007

Billions of U.S. Dollars
Total = \$818*



*Volume figures include spot, forwards, swaps, and options. The data are unadjusted for double-counting among reporting dealers.