



Announcement

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Foreign Exchange Committee Releases FX Volume Survey Results

New York, January 25, 2010

The Foreign Exchange Committee today released the results of its eleventh Survey of North American Foreign Exchange Volume. For the October 2009 reporting period, key findings are featured below.

- Average daily volume in total over-the-counter foreign exchange instruments (including spot transactions, outright forwards, foreign exchange swaps, and options) rose to \$675 billion in October 2009 from \$527 billion in April 2009, a 28.1 percent increase. Still, the figure was below the \$762 billion reached in October 2008—the highest average daily volume reported in the survey’s five-year history.
- The rebound in average daily volume since the April 2009 survey was broad-based, occurring across all instrument types, counterparty types, and execution methods as well as across most currency pairs.

“Throughout the challenging market environment in the third and fourth quarters of 2008, the FX market remained active, liquid, and robust,” said Jeff Feig, Chair of the Foreign Exchange Committee. “While there was an understandable drop in volumes in early 2009—as counterparties and clients contended with lower asset levels and reassessed their market, credit, and other risks—we are not surprised that market participants have returned to actively managing their exposures in the FX markets and that volumes have continued to grow.”

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 twenty-five leading financial institutions active in the North American foreign exchange market to contribute data on the level of turnover during the month of October 2009. The Committee also collaborated with the United Kingdom’s Foreign Exchange Joint Standing Committee (FXJSC), the Singapore Foreign Exchange Market Committee (SFEMC), the Canadian Foreign Exchange Committee (CFEC), and the Australian Foreign Exchange Committee (AFXC), which conducted similar surveys for the U.K., Singaporean, Canadian, and Australian markets, respectively, over the same period. The FXJSC, SFEMC, CFEC, and AFXC are also 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.



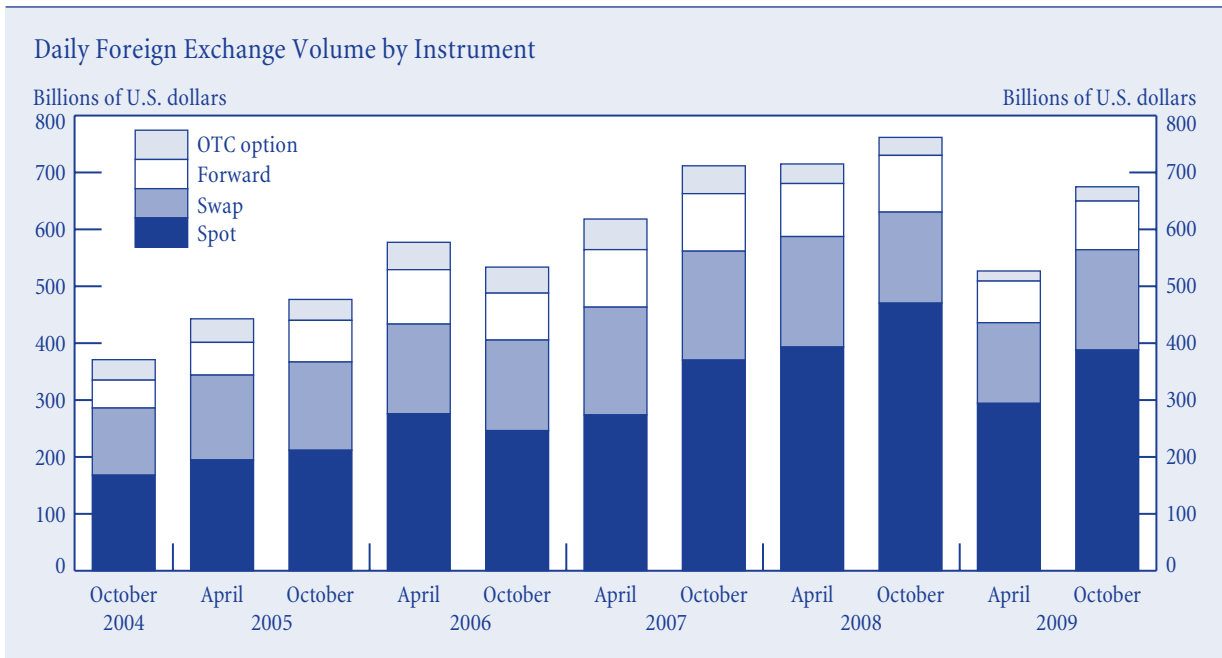
The results of this survey, together with the list of reporting dealers and explanatory notes, are available online at <http://www.newyorkfed.org/fxc/volumesurvey>. The results of the other surveys are also available online as follows:

The Foreign Exchange Joint Standing Committee’s survey for the U.K. market:
<http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm>

The Singapore Foreign Exchange Market Committee’s survey for the Singaporean market:
<http://www.sfemc.org/statistics.asp>

The Canadian Foreign Exchange Committee’s survey for the Canadian market:
http://www.cfec.ca/fx_volume.html

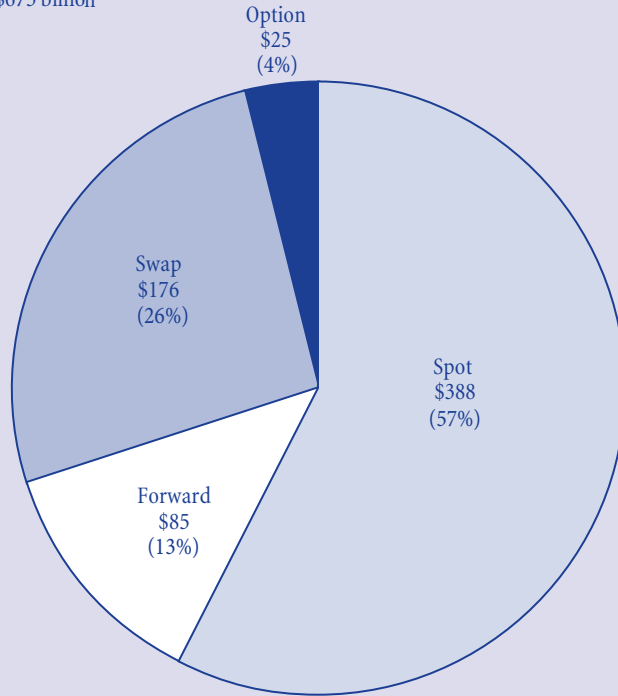
The Australian Foreign Exchange Committee’s survey for the Australian market:
http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2009/Oct_2009/index.html.



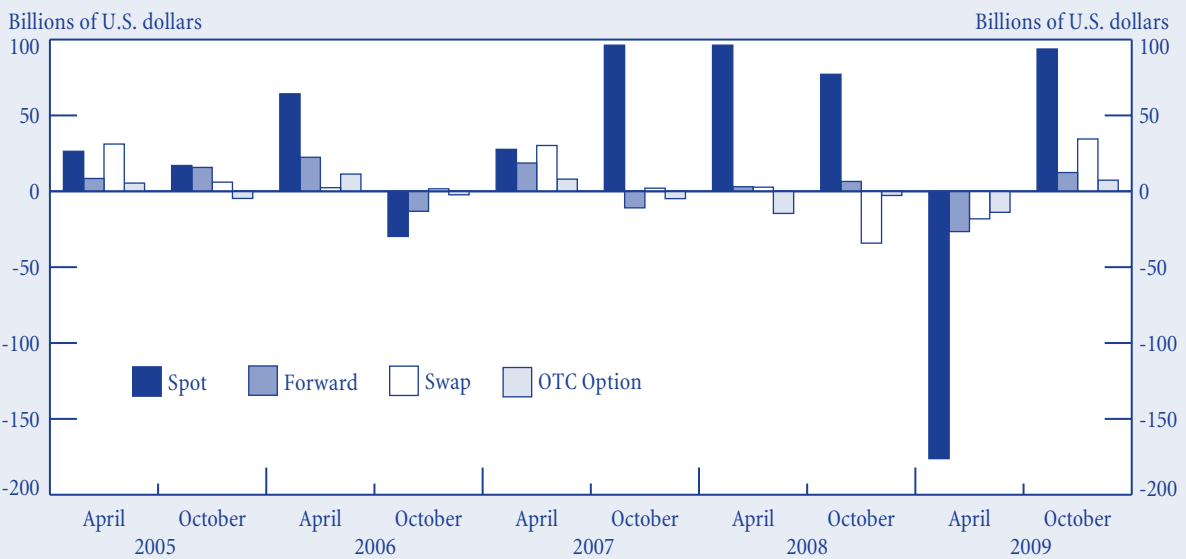


Average Daily Volume by Instrument Type, October 2009

Billions of U.S. Dollars
Total = \$675 billion

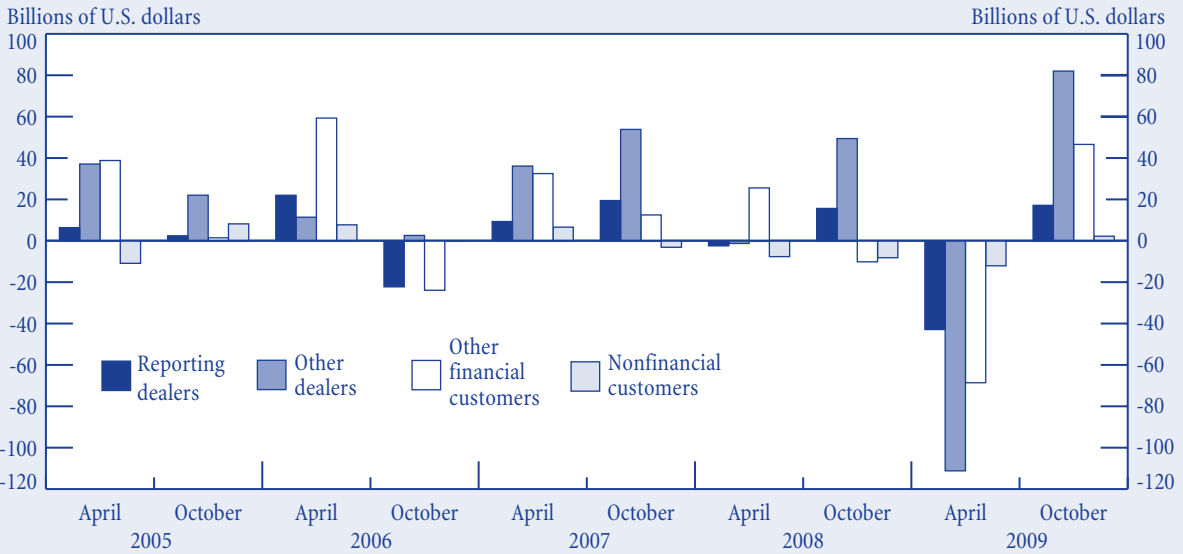


Survey-over-Survey Changes in Daily Foreign Exchange Volume by Instrument

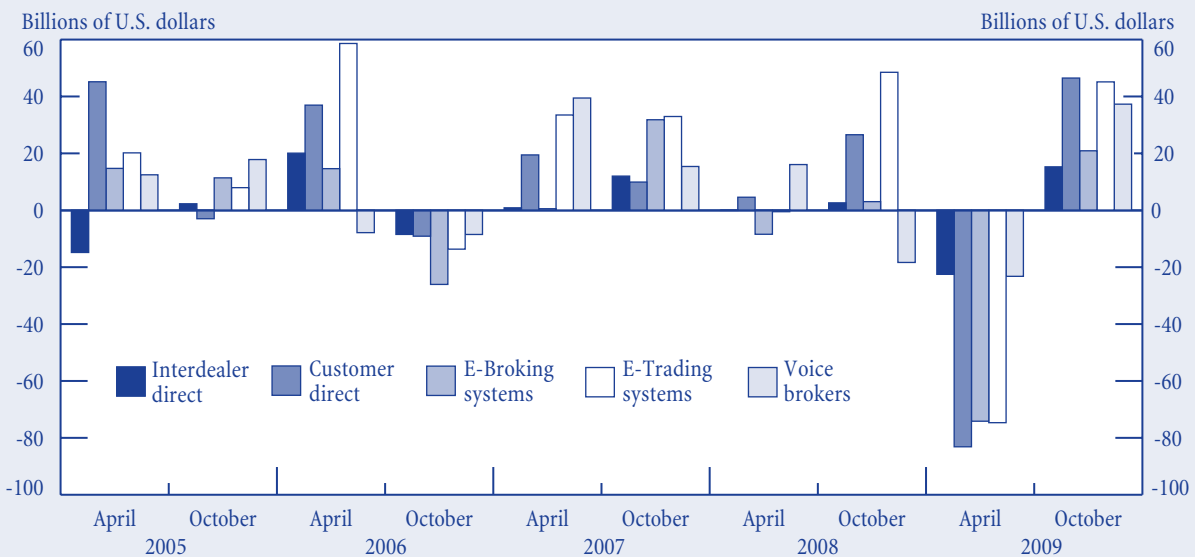




Survey-over-Survey Changes in Daily Foreign Exchange Volume by Counterparty Type



Survey-over-Survey Changes in Daily Foreign Exchange Volume by Execution Method





Survey-over-Survey Changes in Daily Foreign Exchange Volume by U.S. Dollar versus Other Currencies

