Minutes of the Joint Foreign Exchange Committee and Operations Managers Working Group Meeting
Meeting, Jun 2, 2016
Host: Blackrock

FXC Attendees:

ADNAN AKANT Fischer Francis Trees & Watts
ANTHONY BISEGNA State Street
ROBERT BOGUCKI Barclays
JOSE LUIS DAZA QFR Capital Management
ROBERT EBY Wells Fargo
MOHAMMED GRIMEH Standard Chartered
HARI HARIHARAN NWI
GIL MANDELZIS EBS
MICHAEL O’BRIEN Eaton Vance
REBECCA PATTERSON Bessemer
DAVID PUTH CLS
JODI SCHENCK Citi
TROY ROHRBAUGH JP Morgan Chase
CHRIS TAENDLER Goldman Sachs
CHRIS VOGEL Blackrock
PHIL WEISBERG Thomson Reuters

OMWG Attendees:

JAMES ANDREWS JP Morgan
KATHY ANDREWS Bank of America Merrill Lynch
KIM CARABETTA ALLISON Goldman Sachs
MICHAEL DEBEVEC Blackrock
RACHEL FELICIANO Brown Brothers Harriman
JOHN FERRAIUOLO Barclays
JOHN FUSCO Bloomberg
ANTHONY GHIBESI Standard Chartered
COURTNEY GRAHAM Eaton Vance
RICHARD MALING State Street
LUKE POLLOCK Citigroup
MICAHEL PRZEBIELGLEC HSBC
TONY ROCCHIO Bank of New York Mellon
KEN ROZYCKI Brown Brothers Harriman
DANIEL SMITH Morgan Stanley
MATTHEW SMITH JP Morgan
PAUL TROTTI Barclays
JAMES WALLIN Alliance Bernstein
Federal Reserve Bank of New York Attendees:

CHRISTINA GETZ
ANNA NORDSTROM
SIMON POTTER
LISA KRAIDIN, Counsel
BENJAMIN SNODGRASS, Counsel

1. Welcome

The FXC Chair, Troy Rohrbaugh, welcomed members from the Foreign Exchange Committee (FXC) and the Operations Managers Working Group (OMWG). He also welcomed new FXC member, Jodi Schenk, Head of G10 FX Corporates North America Sales and Solutions and she introduced herself to the Committees.

2. Update on the Global Meeting of Foreign Exchange Committees

The FXC Chair gave an update on the Global Meeting of Foreign Exchange Committees held at the FRBNY on May 25. Publication of phase one materials of the FX Global Code was unanimously supported by representatives from each of the eight FXCs of the Global Meeting. The Global Meeting also included discussion on promoting adherence to the FX Global Code, updates by individual FXCs, Global FXC structure, and presentations on electronic trading, prime brokerage and FX market liquidity.

3. Update on the work sponsored by the BIS’ Markets Committee Foreign Exchange Working Group

The high level timeline of phase one of the FX Global Code was discussed. The publication of phase two of the FX Global Code will be in May 2017. There was a discussion on ways to improve the framework for soliciting and processing feedback during phase two. One way to submit a comment on phase one material is to email globalfx@ny.frb.org found on the BIS FXWG website.

4. Discussion on electronic trading

Private sector members discussed various aspects of electronic trading in the foreign exchange market and highlighted some of the key areas in electronic trading around pre trade, execution and post trade activities. They discussed various elements and activities that are important in each category such as pricing in an electronic execution environment. They discussed these issues in context of phase one of the FX Global Code and ahead of phase two which will include material on electronic trading.

5. Discussion on prime brokerage

Private sector members discussed various aspects of foreign exchange prime brokerage (PB) and noted that many issues intersect with electronic trading topics. Such issues included the need to
have proper controls around algorithmic execution so that an error with the algorithm does not contribute to operational issues for the prime broker or others in the PB transaction.

6. Market discussion

The Committee discussed upcoming events that could potentially impact activity in FX markets such as the UK referendum on membership in the European Union (EU). Private sector members also discussed the outlook for the US economy, expectations for the release of US economic data and domestic political developments. Private sector members noted upcoming political elections in Japan, and how the outcome of those elections could impact the Yen.

7. Other business

The next OMWG meeting is scheduled for October 12 at 3:00 PM and hosted by the Federal Reserve Bank of New York.

The next FXC meeting is scheduled for October 13 at 4:00 PM and hosted by Barclays.