



Central Bank Survey

of Foreign Exchange and Derivatives Markets Activity

(FR 3036)

March 21, 2007

Statistics Function

Federal Reserve Bank of New York





Overview



Brian Osterhus

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I. Overview

I. Overview

II. General Instructions

III. Key Reporting Concepts

IV. Derivatives Outstanding

V. Turnover

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I. Overview

The Central Bank (Triennial) Survey

- Only source of comprehensive information on the structure and volume of the foreign exchange and derivatives markets.
- Consists of two parts.

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I. Overview - Two Parts

Part One: Turnover

Report the notional gross value of all new OTC transactions entered into during April.

Include:

- Foreign exchange spot
- Foreign exchange derivative
- Interest rate derivative

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I. Overview - Two Parts

Part Two: Outstandings

Report on a consolidated basis all outstanding contracts as of June 30.

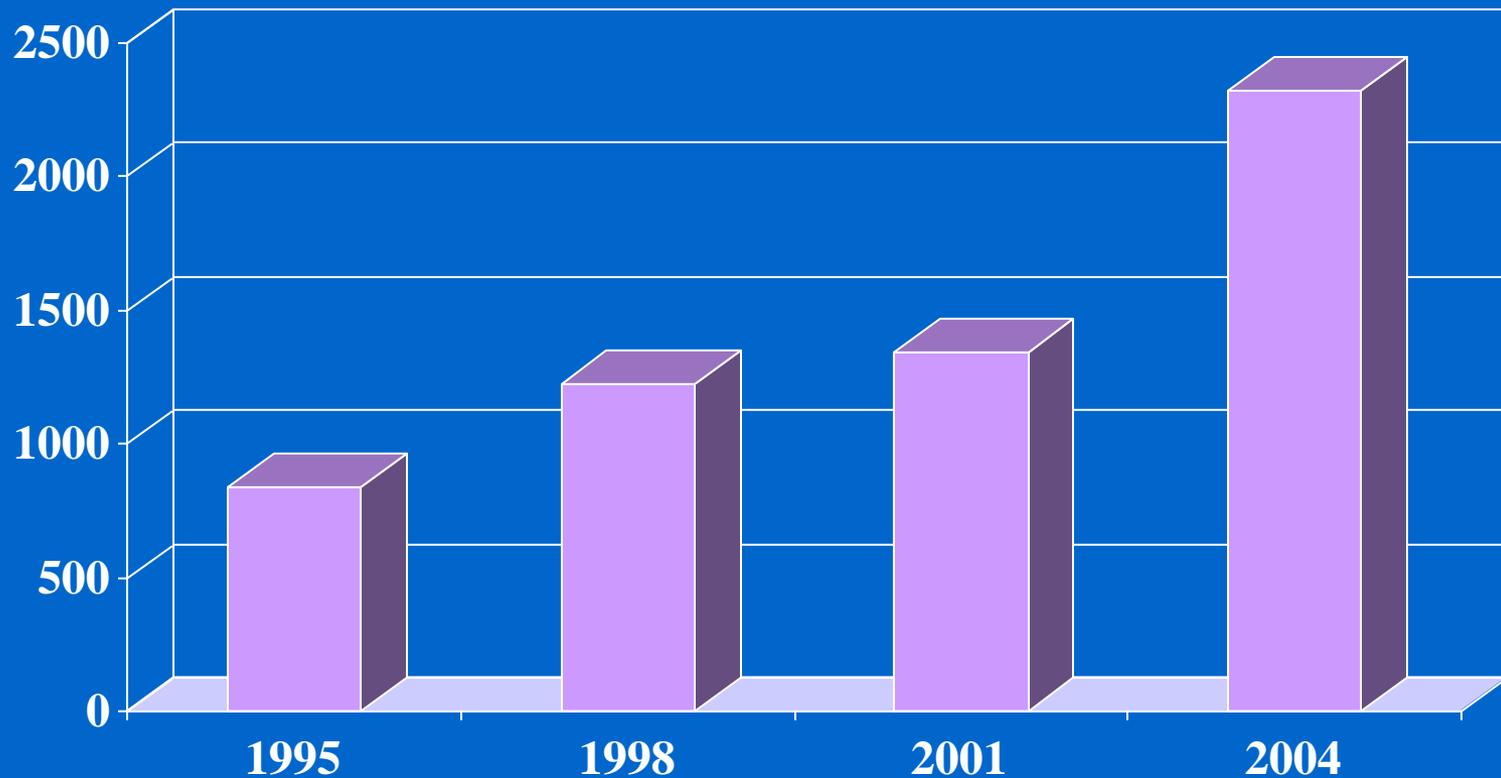
Include:

- Foreign exchange and gold
- Single currency interest rate derivatives
- Equity, commodity, credit and “other” derivatives

(For U.S.-based institutions only.)

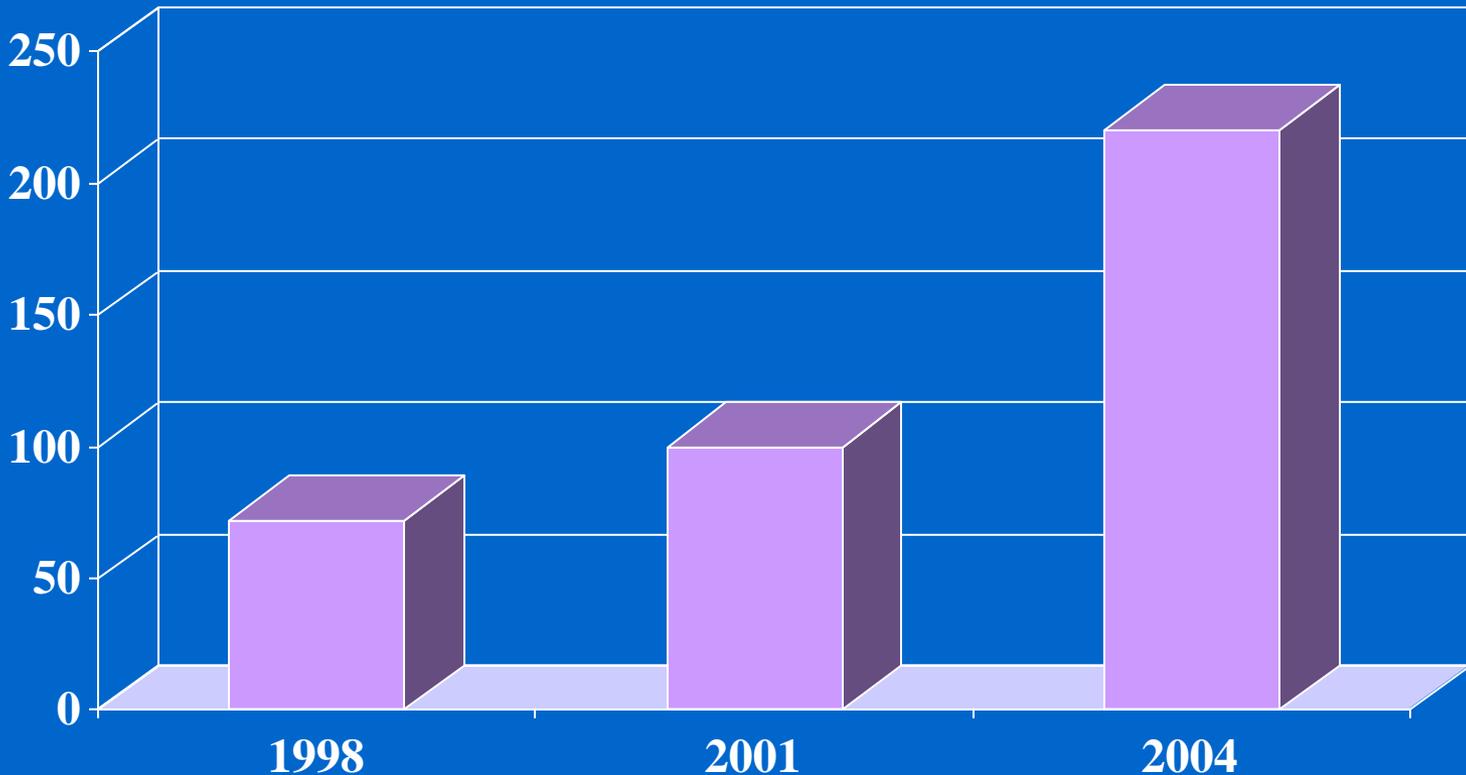
I. Overview - Two End Products

Daily averages of global turnover in OTC derivatives markets in April, billions of US dollars



I. Overview - Two End Products

Amounts outstanding in global OTC derivatives markets at end of June, trillions of US dollars



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I. Overview - Publication

- U.S. – www.newyorkfed.org
- Coordinated press releases
- Global - www.bis.org

(Data provided by individual dealers are kept confidential.)

I. Overview - Evolution

- Beginning in the late 60s, informal foreign exchange surveys were begun by this Bank.
- In the 70s, these surveys began to be coordinated with a few of the major foreign central banks.
- In the 80s, the surveys expanded to include options and interest rate instruments. As more central banks joined, the surveys were coordinated through the BIS.
- In 2007 more than 50 central banks will participate.

I. Overview - What's New

Execution Method

- Replaces role of electronic-based systems section

	Execution Method						Total ¹
	Interdealer direct	Customer direct	Electronic Broking System	Electronic Trading Systems		Voice broker	
				Multi-bank dealing	Single bank proprietary		
Instrument							
Spot							-
Outright forwards							-
FX Swaps							-
FX options							-
Total	-	-	-	-	-	-	-
Counterparty							-
with reporting dealers							-
with other financial institutions							-
with non-financial customers							-
Total	-	-	-	-	-	-	-

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II. General Instructions

Turnover

Outstandings

Reporter	• Dealer in the U.S. (locational)	• Consolidated U.S. Institutions
Period	• April 2007	• As of June 30, 2007
Due	• May 31, 2007	• August 31, 2007

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II. General Instructions

The following applies to both the Turnover and Outstandings parts:

- Transactions which involve two currencies other than the dollar should be reported in dollars by totaling the US equivalent of one side (preferably the purchase side).
- Use exchange rates prevailing on the day of the transaction.

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II. General Instructions

The following applies to both the Turnover and Outstandings surveys (Cont.):

- Report in millions of US dollars.
- Do not use decimals.
- Do not use negative numbers.
- Excel workbooks on diskettes.

II. General Instructions

Edits (Cont.)

Clicking on Edit Worksheet or Edit All Worksheets will produce a list by cell of all edit failures.

TableA1		
<u>Location</u>	<u>Color Failure</u>	<u>Edit Descriptions</u>
\$L\$16		<u>Edit 1: For all rows, the sum across all currency columns should equal the TOT Column.</u>
\$L\$57		<u>Edit 1: For all rows, the sum across all currency columns should equal the TOT Column.</u>
		<u>Edit 2,3,4: For SPOT, the sum of local + cross-border should equal with their respective</u>

II. General Instructions

Edits (Cont.)

Color means a validity failure vertically

A slash stands for a validity failure across

Instrument	USD against									
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	Other	TOT	
SPOT ³										
with reporting dealers	100	50	25	10	10	5	5	10	210	
- local	60	40	20	6	6	4	4	6	142	
- cross-border	40	10	5	4	4	1	1	4	68	
with other financial institutions	20								20	
- local	15								15	
- cross-border	5								5	
with non-financial customers	10								10	
- local	10								10	
- cross-border	0								-	
TOTAL	125	50	25	10	10	10	5	10	235	

II. General Instructions

Edits (Cont.)

*Go to Error Log
(after running edits)*

The screenshot shows a Microsoft Excel 2004 window titled "Microsoft Excel - 2004_Turnover_test#1_failed.xls". The menu bar includes "Edit Worksheet", "Edit All Worksheets", "Clear Edit Markers", "Error Log", and "Save Spreadsheets". The "Error Log" menu item is highlighted with a sad face icon. An arrow points from the handwritten text above to this menu item. The spreadsheet content is as follows:

	A	B	C	D	E	F	G	H
1	TableA1				Central Bank Survey of Foreign Derivatives Markets FOREIGN EXCHANGE Turnover in nominal or notional principal (in millions of USD)			
2	RSSD: 12345							
3								
4								
5								
6								
7								
8								
9								
10								
11	Instruments				USD against			
12								

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II. General Instructions

Edits (Cont.)

- Edit failures must be resolved before data can be accepted.
- Totals have tolerances (plus/minus 3) to accommodate errors due to rounding.

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II. General Instructions

Data Review

Data are reviewed by FRBNY staff. They consider:

- Market trends,
- Mergers and acquisitions,
- Outstanding contract information,
- Previous survey data, and
- FX Volume Survey data

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II. General Instructions

Differences between FR 3036 and FXC Volume Survey

Major differences between the two surveys include:

- FX Risk only-no interest rate or currency swaps
- Reporting Basis-price location vs. sales desk location
- Reporting Panel
- Trades with Related Parties

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II. General Instructions

Differences between FR 3036 and FXC Volume Survey

- Counterparties
- U.S. vs. North American
- Maturities
- Number of Currency Pairs
- Electronic Trading Systems-
single bank/multi-dealer distinction

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II. General Instructions

Need help?

Check our FAQ's on the web page:

[http://www.newyorkfed.org/banking/
reportingforms/fr_3036.html](http://www.newyorkfed.org/banking/reportingforms/fr_3036.html)

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II. General Instructions

Need help?

Send us an email

Triennial2007.NY@ny.frb.org

Call us

<u>Turnover</u>		<u>Outstanding</u>	
• Justin McAvoy	212 720-7993	• Sarit Kessel	212 720-8213
• Christina Getz	2401		
• Joseph Cronin	8220		
• Vicki Szeto	8695		
• Arinda Torres	8203		
• Brian Osterhus	8023		



Key Reporting Concepts



Justin McAvoy

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III. Key Reporting Concepts

A. Just OTC

Only include over-the-counter trades.

(Information on exchange traded contracts is available from the exchanges.)

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III. Key Reporting Concepts

B. U.S. vs. Global

For the turnover survey, report all transactions conducted by traders in the United States, no matter where the trade is booked.

- Include trades between own branches, subsidiaries, and affiliates.
- Exclude back-to-back trades.

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III. Key Reporting Concepts

B. U.S. vs. Global (cont.)

For the outstanding survey, report on a consolidated basis.

- Exclude transactions between affiliates.

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III. Key Reporting Concepts

C. Participating Dealers

By surveying dealers who “make markets”, the survey’s coverage will be relatively complete while reducing reporting burden.

Two separate lists for use with the Turnover and Outstanding parts of the Survey are provided on our web site.

III. Key Reporting Concepts

C. Participating Dealers (Cont.)

BIS Global list for Turnover

Bank for International Settlements		3/6/2007	
Monetary and Economic Department		RESTRICTED	
Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity			
Turnover in April 2007			
Provisional list of reporting dealers by country, name and SWIFT code			
ID	Country	Name	SWIFT
43	AT	BA-CA	BKAUATWW
44	AT	BAWAG	BAWAATWW
45	AT	ERSTE BANK	GIBAATWW
46	AT	HYPO ALPE ADRIA	KLHBAT2K
47	AT	HYPO TIROL BANK AG	HYPTAT22
48	AT	INVESTKREDIT	OEINATWW
49	AT	KOMMUNALKREDIT	OKOMATWW
50	AT	KONTROLLBANK	OEKOATWW
51	AT	LANDES-HYPOTHEKENBANK STEIERMARK	HYSTAT2G
52	AT	ÖSTERREICHISCHE VOLKSBANKEN AG	VBOEATWW
53	AT	RLB OÖ	RZOOAT2L
54	AT	RLB-NOE-WIEN	RLNWATWW

Here's what it looks like.

See web site for complete file.

http://www.bis.org/statistics/triennialrep/2007_list_rep_dealers.xls

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III. Key Reporting Concepts

C. Participating Dealers (Cont.)

Outstanding Survey - breakout of counterparties who are participating dealers is needed to adjust for double counting.

- List of G-10 dealers that participate in the semiannual derivatives survey (FR 2436) is used.

III. Key Reporting Concepts

C. Participating Dealers (Cont.)

**BIS Global list for the Outstanding part
(Institutions in G-10 countries that participate in
the semi-annual derivatives market statistics).**

*Here's
what it
looks like.*

List of Reporting Institutions

Fortis Bank
KBC
Bank of Montreal
Canadian Imperial Bank of Commerce
Royal Bank of Canada

See web site for complete file.

http://www.newyorkfed.org/banking/reportingforms/fr_3036.html

III. Key Reporting Concepts

D. Counterparties

Report contracts broken down by type and location (turnover only) of counterparty.

This breakdown is carried through Tables A1 through A6, B1 and B2 on turnover survey



with reporting dealers	—	—
- local	—	—
- cross-border	—	—
with other financial institutions	—	—
- local	—	—
- cross-border	—	—
with non-financial customers	—	—
- local	—	—
- cross-border	—	—

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III. Key Reporting Concepts

D. Counterparties (Cont.)

Reporting Dealers

- Dealers who participate in the Triennial Survey.
- All large, market- making dealers should participate.

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III. Key Reporting Concepts

D. Counterparties (Cont.)

Other financial institutions

Consists of financial institutions who are not participating dealers.

- Banks,
- Mutual, pension and hedge funds,
- Insurance companies,
- Financial subsidiaries of nonfinancial companies.

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III. Key Reporting Concepts

D. Counterparties (Cont.)

Non-financial customers

- All counterparties that do not fall in either of the two other categories.
- Corporations and governments.

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III. Key Reporting Concepts

E. Notional values

- Both surveys collect data on the gross notional or nominal values of the contracts.
- The Outstanding Survey also collects gross market values of positions.

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III. Key Reporting Concepts

F. Purchases and Sales

The survey does not distinguish between purchases and sales.

Example: The purchase of Euros against the sale of dollars would be reported the same way as a sale of Euros versus purchased dollars.

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III. Key Reporting Concepts

F. Purchases and Sales (Cont.)

Example 2

USD/Yen Exchange rate ¥116.0

Purchased ¥580 million (\$5 million equivalent)

Sold ¥1,160 million (\$10 million equivalent)

Report \$15 million in gross turnover

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III. Key Reporting Concepts

G. Contracts (Cont.)

- For turnover survey, report contracts transacted during the month of April, no matter when they are scheduled to settle.
- Use trade date.

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III. Key Reporting Concepts

G. Contracts (Cont.)

- For the outstanding part, report the notional amount of all contracts on your books. In other words, contracts that are still open on June 30, 2007.

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III. Key Reporting Concepts

G. Contracts (Cont.)

- Report gross amounts for each transaction.
- Do not net or apply FIN 39

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III. Key Reporting Concepts

H. Instruments

Foreign exchange contracts are all that involve exposure to more than one currency. Include:

- Spot (Turnover survey only)
- Forwards
- Currency Swaps
- Options

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III. Key Reporting Concepts

H. Instruments (Cont.)

Spot

The exchange of two currencies at the contract rate for value or delivery (settlement) within two business days.

Note: Exclude the spot leg of swaps and tomorrow/next day transactions.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Foreign Exchange Forwards

The exchange of currencies at a predetermined rate for delivery at some time in the future (more than two business days).

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III. Key Reporting Concepts

H. Instruments (Cont.)

Currency Swaps and Cross Currency Swaps

Contract to exchange streams of interest in different currencies for an agreed period and principal at an agreed exchange rate at maturity.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Currency swaps

Turnover Survey- any swaps, whether spot/forward or forward/forward, should only be reported once.

The basis for reporting should be the long leg of the swap.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Currency swaps

Outstanding Survey- the reporting requirements are different.

- Short leg settles in two or less business days, it should not be reported.
- Short leg settles in more than two business days, treat as a forward/forward swap and report each leg if they have not settled by the report date.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Currency option

Contract that gives the right to buy or sell a currency with another currency at a specified rate.

- Include exotic foreign exchange options such as:
 - average rate options
 - binary options
 - barrier options
 - currency swaptions (option to enter a currency swap contract).

III. Key Reporting Concepts

H. Instruments (Cont.)

Options

- Sold options are options in which the reporter, for a fee or premium, has contracted to purchase or sell financial instruments or commodities.
- Bought options are options in which the reporter has purchased the right to purchase or sell financial instruments or commodities.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Options

- Interest rate swaptions are reported as interest rate options.
- Foreign exchange swaptions are reported as currency options

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III. Key Reporting Concepts

H. Instruments (Cont.)

Other products

- Derivatives that are made up of more than one type of instrument (forwards, swaps and options) but which cannot be easily broken down into their individual components for reporting purposes.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Interest rate contracts are all whose legs are exposed to only one currency's interest rates.

Include:

- Forward rate agreements (FRA)
- Interest Rate Swaps
- Interest Rate Options

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III. Key Reporting Concepts

H. Instruments (Cont.)

Forward rate agreements (FRA)

A contract that sets the interest rate to be paid or received on an obligation for a period of time beginning in the future.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Interest rate swap

A contract to exchange periodic interest payments in a single currency. The interest rates can be a fixed/floating or floating/floating.

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III. Key Reporting Concepts

H. Instruments (Cont.)

Interest rate option

A contract that gives the right to pay or receive a specific interest rate on a specified principal amount for a period of time.

Include:

- caps, floors, collars, and corridors.

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III. Key Reporting Concepts

H. Instruments (Cont.)

- Equity
- Commodity
- Credit
- “Other” derivatives



Derivatives Outstanding



Sarit Kessel

IV. Derivatives Outstanding

Consolidation

- Derivatives outstanding data should be reported on a consolidated basis using U.S. GAAP by the top-tier company or holding company as-of June 2007
- Data from all branches and majority owned subsidiaries worldwide must be added together and reported
- Deals between branches and subsidiaries of the reporter must be eliminated

IV. Derivatives Outstanding

Data Collected

- Risk Categories
- Notional Amounts Outstanding
- Contracts
- Counterparties
- Fair Value
- Maturity Breakdown
- Credit Default Swaps

IV. Derivatives Outstanding

Types of Risk

- Foreign exchange and gold contracts (Tables 1 and 4)
- Single-currency interest rate derivatives (Tables 2 and 4)
- Equity, commodity, credit, and “other” derivatives (Tables 3, 4, and 5)

IV. Derivatives Outstanding

Notional Amounts Outstanding

- The gross notional value of all deals concluded and not yet settled at the reporting date
- No netting of contracts is permitted
- The notional for derivatives with a multiplier component is the contract's effective notional amount or par value
 - For example, a swap contract with a stated notional amount of \$1 million whose terms call for quarterly settlement of the difference between 5% and LIBOR multiplied by 10 has an effective notional amount of \$10 million

IV. Derivatives Outstanding

Gross Fair Values

- Sum of all open contracts before any netting
- Amount at which a contract could be exchanged in a current transaction between willing parties
- Gross positive fair values is the sum of all contracts with positive fair values.
- Gross negative fair values is the sum of all contracts with negative fair values.

IV. Derivatives Outstanding

Counterparties

- Similar to the Turnover Survey, counterparties are divided into the following categories
 - Reporting dealers
 - Financial institutions
 - Non-financial institutions

IV. Derivatives Outstanding

Maturities

- For amounts outstanding, a breakdown is requested by remaining maturity
 - One year or less
 - Over one year and up to five years
 - Over five years

IV. Derivatives Outstanding

Foreign exchange and gold contracts
(Tables 1 and 4)

- Foreign exchange contracts
 - Exchange of currencies in the forward market
 - Outright forwards, foreign exchange swaps, currency swaps, and currency options
 - Exposure to more than one currency, whether in interest rates or exchange rates
- Gold contracts
 - Include all deals involving exposure to that commodity

IV. Derivatives Outstanding

Single-currency interest rate derivatives (Tables 2 and 4)

- Single-currency interest rate contracts:
 - Are related to an interest-bearing financial instrument whose cash flows are determined by reference interest rates or another interest rate contract
 - Include forward rate agreements, single-currency interest rate swaps, and interest rate options
 - Include deals where all the legs are exposed to only one currency's interest rate

IV. Derivatives Outstanding

Reporting of Currencies for Foreign Exchange and Single-Currency Contracts

-Provide outstanding contract information for the following currencies:



USD	EUR	JPY	GBP	CHF	SEK	Other ²			TOT
						BRL	NOK	MXP	

Provide information for individual Other currencies if the amount is material, 2% or more of the notional amount outstanding for that instrument.

IV. Derivatives Outstanding

Example of Reporting Foreign Exchange Contracts

Report the notional and fair values of each currency leg for foreign exchange contracts.

For example, a forward contract with a reporting dealer as a counterparty to purchase \$50 million against the sale of yen would look like this:

INSTRUMENTS	USD	EUR	JPY	GBP	TOT
OUTRIGHT FORWARDS AND					
FOREIGN EXCHANGE SWAPS	50		50		50
with reporting dealers	50		50		50
with other financial institutions					
with non-financial institutions					

IV. Derivatives Outstanding

Equity, commodity, credit, and “other” derivatives

- Equity derivative contracts
 - Contracts have a return, or a portion of their return, linked to the price of a particular equity or to an index of equity prices
- Commodity derivative contracts
 - Contracts have a return, or a portion of their return, linked to the price of a commodity
 - Include precious metals (other than gold, petroleum, lumber, or agricultural products)

IV. Derivatives Outstanding

Example of Reporting Equity Derivative Contracts:

Equity contracts are reported according to the country or the part of the world the underlying equity is related to:

Equity-linked derivatives						
US	Japanese	European ²	Latin American	Other Asian ³	Other	Total

IV. Derivatives Outstanding

Example of Reporting Equity Derivative Contracts

Report the notional and fair values of an equity contract based on the underlying equity and not where the equity is traded. For example, a \$100 million European equity contract with a hedge fund that trades on the NYSE should be reported against Europe

INSTRUMENTS	US	JAPANESE	EUROPEAN	LATIN AMERICA	OTHER ASIA	OTHER	TOTAL
FORWARDS AND SWAPS			100				100
with reporting dealers							
with other financial institutions			100				100
with non-financial institutions							

IV. Derivatives Outstanding

Equity, commodity, credit, and “other” derivatives (Tables 3, 4, and 5)

- Credit derivatives
 - Credit default swaps
 - Total return swaps
 - Credit options
 - Credit-linked notes
- “Other” derivatives
 - Any other derivative contracts, which do not involve an exposure to foreign exchange, interest rate, equity, commodity, or credit risk

IV. Derivatives Outstanding

Credit Default Swaps (Table 5)

- Bilateral financial contracts in which the protection buyer pays a fixed periodic fee in return for a contingent payment by the protection seller, triggered by a credit event on a reference entity
- Credit events may include bankruptcy, default, or restructuring

IV. Derivatives Outstanding

Credit Default Swaps (Table 5)

- Credit default swaps (CDS) should be categorized as single-name or multi-name instruments
 - Single-name CDS are contracts where there is one reference entity or asset specified
 - Multi-name CDS are contracts where there is more than one reference entity or asset specified in the portfolio or basket credit default swaps or credit default swap indices

IV. Derivatives Outstanding

Credit Default Swaps (Table 5)

- Credit default swaps (CDS) should be categorized as either sovereign or non-sovereign based on the underlying reference obligation
 - Sovereigns are entities of a country's central, state, or local government
 - Sovereigns do not include government-owned financial or non-financial firms and international organizations (e.g. World Bank)
 - Non-sovereigns are defined as entities other than sovereigns

IV. Derivatives Outstanding

Edit Calculations

The TOT column should be the sum of all values across each row.

USD	EUR	JPY	GBP	CHF	SEK	Other			TOT
						BRL	MXN	NOK	
900	450	250	200	100	200	50	25	25	2200

IV. Derivatives Outstanding

Edit Calculations

The TOT column for FX should be half of the sum of all values across each row.

USD	EUR	JPY	GBP	CHF	SEK	Other			TOT
						BRL	MXN	NOK	
900	450	250	200	100	200	50	25	25	1100

IV. Derivatives Outstanding

Edit Calculations

The sum of the data for the three counterparties or instruments should equal the counterparty total for each column.

Nominal or notional principal amounts outstanding						
<i>(in millions of USD)</i>						
		USD	EUR	JPY	GBP	CHF
	Instruments					
	OUTRIGHT FORWARDS AND FOREIGN EXCHANGE SWAPS ³					
	with reporting dealers	1000	400			
	with other financial institutions	700	300			
	with non-financial customers	200	90			
		100	10			

IV. Derivatives Outstanding

Edit Calculations

- The sum of the maturities (Table 4) should equal the corresponding instrument amounts from Tables 1-3.
- For example, FX forwards and swaps on Table 4 should equal FX forwards and swaps on Table 1.
 - One year or less
 - Over one year and up to five years
 - Over five years

IV. Derivatives Outstanding Edit Calculations

Table 1

Instruments	TOT
OUTRIGHT FORWARDS AND FOREIGN EXCHANGE SWAPS ³	
with reporting dealers	700
with other financial institutions	200
with non-financial customers	100
TOTAL	1000
TOTAL INCLUDING GOLD	1000
CURRENCY SWAPS	
with reporting dealers	700
with other financial institutions	200
with non-financial customers	100
TOTAL	1000

Table 4

Risk category			
	One year or less	Over one year and up to five years	Over five years
FOREIGN EXCHANGE AND GOLD CONTRACTS			
FOREIGN EXCHANGE CONTRACTS			
	1400	475	125
with reporting dealers	1000	300	100
with other financial institutions	300	100	0
with non-financial customers	100	75	25

IV. Derivatives Outstanding

Edit Calculations

- Example of Flagged Edit Items

Table 4

Risk category	Forwards and Swaps			Total		
	One year of less	Over one year and up to five years	Over five years	One year of less	Over one year and up to five years	Over five years
FOREIGN EXCHANGE AND GOLD CONTRACTS						
FOREIGN EXCHANGE CONTRACTS	100	100	100	50	50	50
with reporting dealers	300	300	300			
with other financial institutions						
with non-financial customers						

IV. Derivatives Outstanding

Edit Calculations

- Quality edits
 - The Gross positive and negative fair values should not be greater than the notional amounts for each column

IV. Derivatives Outstanding

Common Reporting Errors

- Tables 1, 2, and 3
 - Omission of counterparty data
 - Omission of gross positive and gross negative fair value data
 - Incorrectly calculating total OTC options

IV. Derivatives Outstanding

Common Reporting Errors

- Table 4
 - Incorrectly calculating maturity breakdown for FX and IR forwards and swaps
 - Incorrectly calculating total maturity breakdowns with corresponding instruments from Tables 1, 2, & 3.

IV. Derivatives Outstanding

- Common Reporting Errors
- Table 5
 - Incorrectly reporting sovereign and non-sovereign



Turnover



Justin McAvoy



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V. Turnover

Three parts

- Foreign exchange contracts (Tables A1 to A6)
- Single currency interest rate derivatives (B1 and B2)
- Trading activity trends, Forward contracts for differences and electronic-based systems (C1 and C2)

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V. Turnover

A. Risk category

Transactions should be reported in only one risk category: foreign exchange or single-currency interest rate.

If a transaction has more than one risk exposure, it should be allocated to the risk category that is most significant.

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V. Turnover

B. Local vs. cross border

Whether a trade is local or cross border depends on the location of the trader on the other side of the transaction. It is not determined by the nationality of the counterparty.

V. Turnover

B. Local vs. cross border (Cont.)

Originator and function	Location of originator	Location of Counterparty	Reported as	To Central Bank
1. Sales desk 1	U.S.	U.S.	Local	FRBNY
2. Sales desk 1	U.S.	U.K.	Cross border	FRBNY
3. Sales desk 2	U.K.	U.K.	Local	BoE
4. Sales desk 2	U.K.	Japan	Cross border	BoE
5. Trading desk	U.S.	U.K.	Cross border	FRBNY
6. Trading desk	U.S.	U.S.	Local	FRBNY
7. Trading desk	U.S.	Japan	Cross border	FRBNY

Examples 5 – 7 do not involve a sales desk in the transaction.

V. Turnover

B. Local vs. cross border (Cont.)

Instruments	USD against								TOT
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	OTHER ₂	
SPOT₃									
with reporting dealers	100	100							200
- local	50	50							100
- cross-border	50	40							90
with other financial institutions									
- local									
- cross border									
with non-financial customers									
- local									
-cross-border									
TOTAL	100	100							100

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V. Turnover

C. Counterparties

The sum of the 3 types of counterparties

- With reporting dealers
- With other financial institutions
- With non-financial institutions equals the TOTAL for a particular instrument

V. Turnover

C. Counterparties

Instruments	USD against								TOT
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	OTHER ₂	
SPOT₃									
with reporting dealers	100	100							200
- local	75	50							125
- cross-border	25	50							75
with other financial institution	75	75							150
- local	50	50							100
- cross border	25	25							50
with non-financial customers	50	50							100
- local	25	25							50
-cross-border	25	25							50
TOTAL	225	250							400

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V. Turnover

C. Internal and related party trades

For the Turnover Survey, include trades with branches and affiliates in aggregates.

These trades are also reported in an “Of which” memorandum item on Table A5 and B2.

V. Turnover

C. Internal and related party trades (Cont.)

Table A5

				Total
TOTAL FX CONTRACTS			—	—
of which:				
Related party trades ⁸				—

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V. Turnover

D. Currencies

The survey collects turnover data by currency pairs for the major currencies.

Data are collected separately for the US dollar and Euro against each and other for each against the JPY, GBP, CHF, CAD, AUD, SEK and “Other currencies.”

V. Turnover

D. Currencies (Cont.)

Table A1

FOREIGN EXCHANGE CONTRACTS ¹

Turnover in nominal or notional principal amounts in April 2007

(in millions of USD)

Instrument	USD against								
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	Other	TOT



On Tables A1 and A5, the “Other” column captures the sum of all trades against the US dollar other than the transactions against the seven specified currencies.

V. Turnover

D. Currencies (Cont.)

Table A1

FOREIGN EXCHANGE CONTRACTS ¹

Turnover in nominal or notional principal amounts in April 2007

(in millions of USD)

Instrument	USD against							
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	Other



On Tables A1 and A4, the “Total” column captures all trades against the US dollar, the sum of the previous eight columns.

V. Turnover

D. Currencies (Cont.)

Instruments	USD against								
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	OTHER ₂	TOT
SPOT₃									
with reporting dealers	1000	750	400	200	200	100	200	100	2950
- local	500	400	200	100	100	50	100	50	1500
- cross-border	500	350	200	100	100	50	100	50	1450
with other financial institution	1000	750	400	200	200	100	200	100	3000
- local	500	400	200	100	100	50	100	50	1500
- cross border	500	350	200	100	100	50	100	50	1450
with non-financial customers									
- local									
-cross-border									
TOTAL	2000	1500	800	400	400	200	400	200	5950

V. Turnover

D. Currencies (Cont.)

Table A2

FOREIGN EXCHANGE CONTRACTS ¹

Turnover in nominal or notional principal amounts in April 2007

(in millions of USD)

Instruments	EUR against										
	EUR	JPY	GBP	CHF	CAD	AUD	SEK	Other	Total	Resi- dual	Grand Total

On Tables A2 and A5, the “Other” column captures all trades against the Euro other than trades against the specified currencies and the dollar.

The “Total” column captures all trades against the Euro other than those against the dollar.

V. Turnover

D. Currencies (Cont.)

	EUR against									Grand-TOTAL 4
	JPY	GBP	CHF	CAD	AUD	SEK	OTHER ₂	TOT	Residual ₂	
SPOT5										
with reporting dealers	1000	750	400	200	200	100	100	2750	100	5500
- local	500	400	200	100	100	50	50	1400	50	2800
- cross-border	500	350	200	100	100	50	50	1350	50	2700
with other financial institution	1000	750	400	200	200	100	100	2750	100	5600
- local	500	400	200	100	100	50	50	1400	50	2800
- cross border	500	350	200	100	100	50	50	1350	50	2700
with non-financial customers										
- local										
-cross-border										
TOTAL	2000	1500	800	400	400	200	200	5300	200	10800

V. Turnover

Table A2

FOREIGN EXCHANGE CONTRACTS ¹

Turnover in nominal or notional principal amounts in April 2007

(in millions of USD)

Instruments

EUR against

JPY

GBP

CHF

CAD

AUD

SEK

Other

Resi-
dual

Grand
Total

On Table A2 and A5, the “Residual” column captures all trades that do not involve either the dollar or the Euro.

The sum of this column, plus the Total column for the Euro and the Total column for the dollar from A1 equal the Grand Total.

V. Turnover

D. Currencies (Cont.)

Instruments	EUR against									
	JPY	GBP	CHF	CAD	AUD	SEK	OTHER ₂	TOT	Residual ₃	Grand-TOTAL ₄
OTC OPTIONS₆										
Sold										
with reporting dealers	100	100						200	100	250
- local	50	50						100	50	160
- cross-border	50	50						100	50	140
Bought										
with reporting dealers	100	100						200		200
- local	50	60						110		110
- cross border	50	40						90		90
TOTAL OTC OPTIONS	200	200						400		400
Other products ₇										
TOTAL FX CONTRACTS	200	200						400	100	450

V. Turnover

D. Currencies (Cont.)

Table A3

FOREIGN EXCHANGE CONTRACTS ¹

Turnover in nominal or notional principal amounts in April 2007

Total turnover in listed currencies against all other currencies ²														
BRL	CNY	CZK	DKK	HKD	HUF	IDR	INR	KRW	MXN	NOK	ZND	PHP	PLN	RUB

Tables A3 and A6 capture trades included in the columns "other" and "residual" in Tables A1 and A2. Trades between two currencies listed in this table should be reported in each currency's column.

V. Turnover

D. Currencies (Cont.)

Table B1

SINGLE-CURRENCY INTEREST RATE DERIVATIVES ¹

Turnover in nominal or notional principal amounts in April 2007

USD EUR JPY GBP CHF CAD AUD DKK HKD IDR MXN NOK NZD SEK SGD THB OTH TOT



On Tables B1 and B2, the “Other” column captures the sum of all single currency interest rate derivatives in currencies that are not listed.

The Total column is the sum of the previous columns on each spreadsheet.

V. Turnover

D. Currencies (Cont.)

Instruments	USD	EUR	TOT
OTC Options			
Sold			
with reporting dealers	100	100	200
- local	50	50	100
- cross-border	50	40	100
TOTAL	100	100	200
Bought			
with reporting dealers	100	100	200
- local	50	50	100
- cross-border	50	50	100
TOTAL	100	100	200
TOTAL OTC OPTIONS	200	200	400
Other products 2			

V. Turnover

E. Maturities

Transactions in outright forwards and foreign exchange swaps are reported according to the following maturities:

- Seven days or less
- Over seven days and up to one year
- Over one year

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V. Turnover

F. Trading activity trends_ (Table C1)

1.a In the month of April 2007, was foreign exchange turnover (spot, outright forwards and foreign exchange swaps and other derivatives turnover)

Normal? _____ Below Normal? _____ Above Normal? _____

1.b In the month of April 2007, was derivative contract turnover (excluding spot transactions)

Normal? _____ Below Normal? _____ Above Normal? _____

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V. Turnover

F. Trading activity trends (Table C1)

2.a Was turnover in the preceding six months for contracts reported in Line 1.a

Steady? _____ Increasing? _____ Decreasing? _____

2.b Was turnover in the preceding six months for contracts reported in Line 1.b

Steady? _____ Increasing? _____ Decreasing? _____

V. Turnover

G. Turnover of forward contracts for differences

Table C1 collects information on turnover in forward contracts where only the difference between the contracted forward outright rate and the prevailing spot rate is settled at maturity.

- Include non-deliverable forwards.

V. Turnover

Table C1 (Cont.)

Turnover of forward contracts for differences
(In millions of US dollars)

G10 currencies only (1)	Non G10 currencies only (2)			
	In Asia	In Latin America	In Europe	Other

(1) Contracts that only involve G10 currencies on both sides of the transaction.

(2) Contracts that involve G10 currencies on one side of the transaction or non-G10 currencies on both sides of the transaction.

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V. Turnover

H. Execution Method

Table C2 collects information on the various execution methods used. The table is broken into two parts: by Instrument and Counterparty.

V. Turnover

Table C2

Execution Method for Foreign Exchange Contracts

	Execution Method						Total ¹
	Interdealer direct	Customer direct	Electronic Broking System	Electronic Trading Systems		Voice broker	
				Multi-bank dealing	Single bank proprietary		
Instrument							
Spot							-
Outright forwards							-
FX Swaps							-
FX options							-
Total	-	-	-	-	-	-	-
Counterparty							-
with reporting dealers							-
with other financial institutions							-
with non-financial customers							-
Total	-	-	-	-	-	-	-

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V. Turnover

I. Special reporting issues

- Prime brokerage trades
- Derivatives clearinghouses

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V. Turnover

J. Common Reporting Errors

- Omitting Residual from Grand Total
- Not Reporting Volume Trends (Table C1)
- Editing Only One Sheet
- Sending Reports with Validity Edits

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V. Turnover

J. Common Reporting Errors (Cont.)

- Using Formulas instead of Data Entries
- Not Summing Maturities to Instruments
- Omitting Contracts from Residual on Tables A3 and A6

Questions & Answers



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THE END



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