

**THE FOREIGN EXCHANGE
JOINT STANDING COMMITTEE**
Threadneedle Street
London EC2R 8AH

22 January 2007

RESULTS OF THE SEMI-ANNUAL FX TURNOVER SURVEY IN OCTOBER 2006

In October 2006, 30 financial institutions active in the UK foreign exchange market participated in the fifth published semi-annual turnover survey for the Foreign Exchange Joint Standing Committee (JSC). The survey results are presented in the summary tables and annexes attached. The results of subsequent surveys will continue to be published at six-monthly intervals.

The main findings of the survey are:

- Average daily reported ‘traditional’¹ UK foreign exchange turnover was \$967 billion in October 2006, a rise of 6% on April 2006.²
- Average daily reported UK turnover in other OTC foreign exchange instruments³ was \$89 billion in October 2006, a rise of 2% on April 2006.
- Combined average daily turnover in October 2006 was \$1056 billion, some 23% higher than in October 2005.

Tables 1 to 5 below provide various summaries of the average daily data for October 2006, with comparisons to April 2006; while the full set of data for October 2006 is in Annex A. Revised data for April 2006 has recently been received and is included as Annex B.

Similar semi-annual surveys were also conducted in October 2006 for the New York market by the New York Foreign Exchange Committee, for the Singapore market by the Singapore Foreign Exchange Market Committee, and the Canadian market by the Canadian Foreign Exchange Committee. The results of these surveys can be found at <http://www.newyorkfed.org/fxc/volumesurvey/mshare.html>, <http://www.sfemc.org> and http://www.cfec.ca/fx_volume.html respectively.

¹ Spot, outright forward and FX swap

² April 2006 data has been slightly revised since it was published in July

³ FX option and currency swap

Notes for editors

The JSC is a market liaison group, established in 1973 by the banks and brokers of the London FX market, as a forum to discuss topical issues and matters of common interest. The Bank of England chairs the Committee, which comprises senior staff from many of the major banks operating in the London foreign exchange market and representatives from brokers, corporate users of the foreign exchange market and the FSA.

Whilst the data presented here is of a similar nature to that collected by the BIS triennial survey, it is more frequent and there is one small difference in the reporting methodology. The basis of reporting for the JSC survey is the location of the price-setting dealer. However, for the 2004 BIS triennial survey, the basis of reporting was changed to be the location of the sales desk of the trade. Figures from the April 2004 pilot JSC survey, when compared to the April 2004 BIS triennial survey, indicate that the alternative reporting basis used by the BIS may have been consistent with a slightly lower level of reported UK foreign exchange market turnover.

The results of this survey are also available on the website of the JSC:

<http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm>

Participating financial institutions

ABN AMRO

ANZ

Bank of America

Bank of Tokyo-Mitsubishi UFJ

Barclays

BNP Paribas

Citigroup

CALYON

Credit Suisse

Deutsche Bank

Goldman Sachs

HBOS

HSBC

HVB

ING Bank

JP Morgan Chase

Lehman Brothers

Lloyds TSB

Merrill Lynch

Morgan Stanley

Rabobank

Royal Bank of Canada

Royal Bank of Scotland

Skandinaviska Enskilda Banken

Société Générale

Standard Chartered

State Street

Toronto Dominion

UBS

Westpac Banking Corporation

Table 1**Reported UK foreign exchange and OTC foreign exchange derivatives market turnover¹**

Daily averages in billions of US dollars

Instrument	April 2006²	October 2006
Spot transactions	326	340
Outright forwards	89	77
Foreign exchange swaps	500	550
Total 'traditional' foreign exchange turnover	915	967
Currency Swaps	5	6
Foreign Exchange Options	82	83
Total OTC foreign exchange derivatives turnover	87	89

¹ Adjusted for double counting of deals between survey contributors.

Totals may not sum due to rounding.

Daily averages are calculated assuming 20 working days in April 2006 and 22 working days in October 2006.

² April 2006 data has been slightly revised since it was published in July.

Table 2**Reported UK foreign exchange market turnover by instrument and counterparty¹**

Daily averages in billions of US dollars

Instrument/counterparty	April 2006²	October 2006
Spot transactions	326	340
with UK banks	103	109
with non-resident banks	148	156
<i>of which with EU banks</i>	<i>67</i>	<i>69</i>
with UK non-banks	14	15
with non-resident non-banks	61	60
<i>of which with EU non-banks</i>	<i>11</i>	<i>11</i>
Outright forwards	89	77
with UK banks	23	17
with non-resident banks	22	23
<i>of which with EU banks</i>	<i>9</i>	<i>10</i>
with UK non-banks	12	11
with non-resident non-banks	32	26
<i>of which with EU non-banks</i>	<i>12</i>	<i>11</i>
Foreign exchange swaps	500	550
with UK banks	185	190
with non-resident banks	215	257
<i>of which with EU banks</i>	<i>118</i>	<i>147</i>
with UK non-banks	36	35
with non-resident non-banks	64	68
<i>of which with EU non-banks</i>	<i>16</i>	<i>20</i>

¹ Adjusted for double counting of deals between survey contributors.

Totals may not sum due to rounding.

Daily averages are calculated assuming 20 working days in April 2006 and 22 working days in October 2006.

² April 2006 data has been slightly revised since it was published in July.

Table 3**Reported UK OTC foreign exchange derivatives market turnover by instrument and counterparty¹**

Daily averages in billions of US dollars

Instrument/counterparty	April 2006	October 2006
Currency swaps	5	6
With UK banks	2	2
With non-resident banks	2	3
<i>of which with EU banks</i>	<i>1</i>	<i>2</i>
With UK non-banks	0	1
With non-resident non-banks	1	1
<i>of which with EU non-banks</i>	<i>0</i>	<i>0</i>
Foreign exchange options	82	83
With UK banks	34	38
With non-resident banks	24	24
<i>of which with EU banks</i>	<i>11</i>	<i>11</i>
With UK non-banks	5	5
With non-resident non-banks	20	16
<i>of which with EU non-banks</i>	<i>3</i>	<i>3</i>

¹ Adjusted for double counting of deals between survey contributors.

Totals may not sum due to rounding.

Daily averages are calculated assuming 20 working days in April 2006 and 22 working days in October 2006.

Table 4**Currency distribution of reported UK foreign exchange and OTC foreign exchange derivatives market turnover¹**

Percentage shares of average daily turnover

Currency	April 2006	October 2006
US dollar	87	86
Euro	47	45
Pound Sterling	19	20
Japanese yen	15	16
Other currencies	33	34
All currencies	200	200

¹ As two currencies are involved in each transaction, the sum of the percentage shares of individual currencies total 200 per cent instead of 100 per cent. The figures are adjusted for double-counting of deals between survey contributors. Totals may not sum due to rounding.

Table 5**Reported UK foreign exchange and OTC foreign exchange derivatives market turnover
by currency pair¹**

Daily averages in billions of US dollars and percentage shares

Currency pair	April 2006 ²		October 2006	
	Amount	Proportion of total (%)	Amount	Proportion of total (%)
USD/EUR	356	36	350	33
USD/GBP	143	14	164	15
USD/JPY	119	12	132	13
USD/CHF	45	5	44	4
USD/AUD	37	4	34	3
USD/CAD	34	3	35	3
EUR/GBP	36	4	36	3
EUR/JPY	24	2	22	2
EUR/CHF	20	2	27	3
GBP/JPY	5	1	5	1
Other currency pairs	182	18	207	20
All currency pairs	1002	100	1056	100

¹ Adjusted for double counting of deals between survey contributors.

Totals may not sum due to rounding.

Daily averages are calculated assuming 20 working days in April 2006 and 22 working days in October 2006.

² April 2006 data has been slightly revised since it was published in July.

ANNEX A – AGGREGATE REPORTED TURNOVER IN OCTOBER 2006

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Product	EUR/USD	GBP/USD	USD/JPY	USD/CHF	AUD/USD	CAD/USD	EUR/GBP	EUR/JPY	EUR/CHF	GBP/JPY	All other currency pairs	TOTAL
Spot	2479367	1115402	907514	291214	210166	321487	358061	275303	317734	55298	1144803	7476347
Outright Forwards	480610	213148	149049	53318	32952	69058	101951	46597	45789	19785	489130	1701385
FX Swaps	4206448	2109248	1479361	565673	461323	338556	254828	98959	94161	35275	2462953	12106782
Currency Swaps	48470	30622	16593	1146	3905	103	14221	1003	989	296	14510	131856
FX Options	488242	133153	360422	49015	45165	49072	60027	62354	128947	5161	443208	1824763
TOTAL	7703136	3601572	2912937	960365	753510	778275	789087	484216	587620	115814	4554602	23241131

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Type of Counterparty	EUR/USD	GBP/USD	USD/JPY	USD/CHF	AUD/USD	CAD/USD	EUR/GBP	EUR/JPY	EUR/CHF	GBP/JPY	All other currency pairs	TOTAL
With other UK banks	2454541	1548677	938956	280993	322838	260816	240014	138079	194720	24793	1409331	7813757
With non-resident banks	3650039	1359695	1124311	478677	302365	360627	242703	208647	198936	39636	2228513	10194149
<i>of which EU banks</i>	2166748	654389	400570	165010	84695	86637	153440	92411	86253	15044	1341731	5246908
With UK non-banks	482920	341742	126875	36079	23160	29389	134490	19651	21448	25847	222069	1463670
With non-resident non-banks	1115634	351448	722795	164614	105145	127446	171878	117836	172513	25534	694686	3769529
<i>of which EU non-banks</i>	429894	64040	43430	19248	17141	20572	94444	41150	27129	5130	213146	975324
TOTAL	7703134	3601562	2912937	960363	753508	778278	789085	484213	587617	115810	4554599	23241105

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Product	With other UK banks	With non-resident banks	<i>of which EU banks</i>	With UK non-banks	With non-resident non-banks	<i>of which EU non-banks</i>	TOTAL
Spot	2399815	3434739	1508965	331848	1309951	233781	7476353
Outright Forwards	363764	509894	221466	251571	576158	231599	1701387
FX Swaps	4176772	5660103	3236451	763812	1506091	432381	12106778
Currency Swaps	37137	60344	37595	13805	20569	5912	131855
FX Options	836284	529082	242433	102634	356764	71655	1824764
TOTAL	7813770	10194162	5246910	1463670	3769533	975328	23241135

ANNEX B – AGGREGATE REPORTED TURNOVER IN APRIL 2006

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Product	EUR/USD	GBP/USD	USD/JPY	USD/CHF	AUD/USD	CAD/USD	EUR/GBP	EUR/JPY	EUR/CHF	GBP/JPY	All other currency pairs	TOTAL
Spot	2347494	886768	828180	275130	205404	229764	318603	235865	239437	46765	909664	6523072
Outright Forwards	564108	195887	175934	75749	48603	58190	105341	51141	43514	30489	433629	1782582
FX Swaps	3675500	1656674	1084644	517576	414324	349973	220966	97243	59239	23890	1893649	9993676
Currency Swaps	27390	20262	8452	2477	1826	423	12950	370	1112	0	17220	92479
FX Options	504808	102878	291441	38408	72284	36392	57559	104162	50480	6692	379284	1644386
TOTAL	7119299	2862468	2388651	909340	742440	674740	715418	488780	393782	107834	3633445	20036195

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Type of Counterparty	EUR/USD	GBP/USD	USD/JPY	USD/CHF	AUD/USD	CAD/USD	EUR/GBP	EUR/JPY	EUR/CHF	GBP/JPY	All other currency pairs	TOTAL
With other UK banks	2597422	1251520	692282	280281	321491	217332	214688	126631	111032	27139	1099412	6939226
With non-resident banks	2984720	1013159	909433	426778	300814	305454	213473	187466	154522	30332	1683136	8209287
<i>of which EU banks</i>	1810749	466397	306026	167220	70263	88448	143521	94872	81920	11696	883366	4124479
With UK non-banks	410777	264569	133049	54903	25003	31565	123228	31952	15814	27630	213407	1331897
With non-resident non-banks	1126380	333214	653889	147382	95129	120392	164022	142726	112416	22729	637491	3555770
<i>of which EU non-banks</i>	395954	39625	30565	15595	12327	16781	86879	55200	21907	4631	169773	849237
TOTAL	7119299	2862462	2388653	909344	742437	674743	715411	488775	393784	107830	3633446	20036180

All figures are monthly totals in millions of US dollars and have been adjusted for double counting of deals between survey contributors.

Product	With other UK banks	With non-resident banks	<i>of which EU banks</i>	With UK non-banks	With non-resident non-banks	<i>of which EU non-banks</i>	TOTAL
Spot	2065825	2968873	1344706	274040	1214335	226142	6523073
Outright Forwards	457173	433804	180538	242474	649122	230135	1782573
FX Swaps	3700902	4297034	2357661	713267	1282475	326475	9993678
Currency Swaps	30561	37129	25146	7886	16899	6151	92475
FX Options	684779	472450	216444	94222	392945	60338	1644396
TOTAL	6939240	8209290	4124495	1331889	3555776	849241	20036195