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

27 January 2009

RESULTS OF THE SEMI-ANNUAL FX TURNOVER SURVEY IN OCTOBER 2008

In October 2008, 32 financial institutions active in the UK foreign exchange market participated in the ninth published semi-annual turnover survey for the Foreign Exchange Joint Standing Committee (JSC). This was one less firm than in April 2008[1]. The October 2008 survey results are based on the extended reporting form, introduced for the April 2008 survey. The survey results are summarised below, and more detailed tables for the October 2008 reporting period are also available separately. Revised April 2008[2] results can also be found separately. 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'[3] UK foreign exchange turnover was $1,554 billion in October 2008.

- Average daily reported UK turnover in other OTC foreign exchange instruments[4] was $126 billion in October 2008.

- Combined average daily turnover in October 2008 was $1,679 billion, 8% lower than in April 2008 and 21% higher than a year earlier, in October 2007.

- The decline in reported turnover was largely accounted for by foreign exchange swaps and currency swaps.

Tables 1 to 5 below provide various summaries of the average daily data for October 2008, with comparisons to April 2008. A more detailed set of results tables for October 2008 can be found at http://www.bankofengland.co.uk/markets/forex/fxjsc/fxturndata090127.xls. Revised

[1] Lehman Brothers left the reporting population for the October 2008 survey.
[2] April 2008 data has been revised since it was published in July 2008.
[3] Spot, outright forwards, non-deliverable forwards, and FX swaps.
[4] FX options and currency swaps.

data for April 2008 have recently been received and results tables can be found at http://www.bankofengland.co.uk/markets/forex/fxjsc/fxturndata090127-revisedapril08.xls.

Similar semi-annual surveys were also conducted in October 2008 for the New York market by the New York Foreign Exchange Committee; for the Singapore market by the Singapore Foreign Exchange Market Committee; for the Canadian market by the Canadian Foreign Exchange Committee; and for the Australian market by the Australian Foreign Exchange Committee.

The results of these surveys can be found at: http://www.newyorkfed.org/fxc/volumesurvey/, http://www.sfemc.org/statistics.asp, http://www.cfec.ca/fx_volume.html, http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2008/Oct_2008/index.html respectively.

Notes for editors

1. 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.

2. 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 difference in the reporting methodology: the basis of reporting for the FXJSC survey is the location of the price-setting dealer[5], whereas the basis of reporting in the BIS triennial survey is the location of the sales desk.

3. Figures from the April 2007 FXJSC survey when compared to the April 2007 BIS triennial survey indicate that despite differences in definition and institutional coverage, the two surveys are broadly comparable.

4. Global and UK results for the BIS triennial survey can be found at: http://www.bankofengland.co.uk/statistics/bis-survey/previous.htm

5. The results of this survey are also available on the website of the FXJSC: http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm

Participating financial institutions

ABN AMRO
ANZ
Bank of America
Bank of New York Mellon
Bank of Scotland Treasury Services
Bank of Tokyo-Mitsubishi UFJ
Barclays
BNP Paribas
Calyon
Citigroup
Commonwealth Bank of Australia
Credit Suisse
Deutsche Bank
Goldman Sachs
HSBC
ING Bank
JP Morgan Chase
Lloyds TSB
Merrill Lynch
Morgan Stanley
National Australia Bank
Rabobank
Royal Bank of Canada
Royal Bank of Scotland
Skandinaviska Enskilda Banken
Société Générale
Standard Chartered
State Street
Toronto Dominion
UBS
Unicredito
Westpac Banking Corporation

[5] The results for the FXJSC survey continue to include those for the Credit Suisse, SEB, Standard Chartered, and UBS trading desks, which have relocated out of London.

Table 1

Reported UK foreign exchange and OTC foreign exchange derivatives market turnover[1]

Daily averages in billions of US dollars

Instrument	**April 2008**	**October 2008**
Spot transactions	567	605
Outright forwards	177	210
Non-deliverable forwards	23	19
Foreign exchange swaps	930	719
Total 'traditional' foreign exchange turnover	**1696**	**1554**
Currency swaps	24	18
Foreign exchange options	112	108
Total OTC foreign exchange derivatives turnover	**136**	**126**

[1] Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.
Daily averages are calculated assuming 22 working days in April 2008 and 23 working days in October 2008.

Table 2

Reported UK foreign exchange market turnover by instrument and counterparty[1]

Daily averages in billions of US dollars

Instrument/counterparty	**April 2008**	**October 2008**
Spot transactions	**567**	**605**
with reporting dealers	214	221
of which resident	*73*	*71*
of which non-resident	*141*	*151*
with other banks	210	219
of which resident	*51*	*61*
of which non-resident	*159*	*158*
with other financial institutions	113	121
of which resident	*30*	*32*
of which non-resident	*83*	*89*
with non financial institutions	30	44
of which resident	*5*	*7*
of which non-resident	*25*	*37*
Outright forwards	**177**	**210**
with reporting dealers	38	57
of which resident	*8*	*17*
of which non-resident	*31*	*39*
with other banks	33	63
of which resident	*7*	*17*
of which non-resident	*26*	*46*
with other financial institutions	72	60
of which resident	*33*	*28*
of which non-resident	*38*	*33*
with non financial institutions	34	30
of which resident	*6*	*6*
of which non-resident	*27*	*24*

Non-deliverable forwards	**23**	**19**
with reporting dealers	9	7
of which resident	*2*	*2*
of which non-resident	*6*	*5*
with other banks	5	6
of which resident	*1*	*1*
of which non-resident	*4*	*4*
with other financial institutions	7	5
of which resident	*2*	*2*
of which non-resident	*5*	*3*
with non financial institutions	2	1
of which resident	*0*	*0*
of which non-resident	*2*	*1*
Foreign exchange swaps	**930**	**719**
with reporting dealers	303	272
of which resident	*103*	*81*
of which non-resident	*200*	*191*
with other banks	397	298
of which resident	*89*	*74*
of which non-resident	*307*	*225*
with other financial institutions	175	107
of which resident	*82*	*30*
of which non-resident	*93*	*77*
with non financial institutions	56	41
of which resident	*9*	*9*
of which non-resident	*47*	*32*

[1] Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.
Daily averages are calculated assuming 22 working days in April 2008 and 23 working days in October 2008.

Table 3

Reported UK OTC foreign exchange derivatives market turnover by instrument and counterparty[1]

Daily averages in billions of US dollars

Instrument/counterparty	April 2008	October 2008
Currency swaps	**24**	**18**
with reporting dealers	11	9
of which resident	*3*	*2*
of which non-resident	*9*	*7*
with other banks	9	6
of which resident	*3*	*2*
of which non-resident	*7*	*4*
with other financial institutions	2	1
of which resident	*1*	*0*
of which non-resident	*1*	*1*
with non financial institutions	2	1
of which resident	*0*	*0*
of which non-resident	*1*	*1*
Foreign exchange options	**112**	**108**
with reporting dealers	46	47
of which resident	*22*	*25*
of which non-resident	*25*	*22*
with other banks	30	30
of which resident	*9*	*10*
of which non-resident	*21*	*20*
with other financial institutions	26	21
of which resident	*9*	*7*
of which non-resident	*17*	*14*
with non financial institutions	9	9
of which resident	*1*	*1*
of which non-resident	*9*	*8*

[1] Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.
Daily averages are calculated assuming 22 working days in April 2008 and 23 working days in October 2008.

Table 4

Currency distribution of reported UK foreign exchange and OTC foreign exchange derivatives market turnover[1]

Percentage shares of average daily turnover

Currency	**April 2008**	**October 2008**
US dollar	85	83
Euro	45	49
Pound sterling	19	19
Japanese yen	16	20
Swiss franc	7	7
Canadian dollar	3	3
Australian dollar	5	4
Swedish krona	2	2
Norwegian krone	2	2
New Zealand dollar	2	1
Brazilian real	0	0
Chinese yuan	0	0
Indian rupee	0	0
South Korean won	0	0
Mexican peso	1	1
Polish zloty	1	1
Russian ruble	1	1
Singapore dollar	1	1
Turkish lira	1	1
South African rand	1	1
Other currencies	8	6
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 pair[1]

Daily averages in billions of US dollars and percentage shares

Currency pair	April 2008		October 2008	
	Amount	Proportion of total (%)	Amount	Proportion of total (%)
USD/EUR	593	32	562	33
USD/GBP	239	13	220	13
USD/JPY	218	12	226	13
USD/CHF	82	4	62	4
USD/AUD	76	4	60	4
USD/CAD	48	3	43	3
USD/NOK	29	2	16	1
USD/SEK	27	1	18	1
USD/NZD	24	1	17	1
USD/ZAR	20	1	16	1
USD/MXN	18	1	12	1
USD/PLN	15	1	8	0
USD/SGD	14	1	11	1
USD/RUB	10	1	11	1
USD/TRY	11	1	12	1
USD/BRL	7	0	7	0
USD/KRW	6	0	5	0
EUR/GBP	76	4	76	5
EUR/JPY	48	3	83	5
EUR/CHF	45	2	41	2
GBP/JPY	12	1	10	1
Other currency pairs	213	12	164	10
All currency pairs	**1832**	**100**	**1679**	**100**

[1] Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.
Daily averages are calculated assuming 22 working days in April 2008 and 23 working days in October 2008.