

Minutes

Foreign Exchange Joint Standing Committee Extraordinary Meeting

27 March 2020

Location: Teleconference

Committee **Alan Barnes** – *Financial Conduct Authority*

Attendees: **Andrew Hauser (Chair)** – *Bank of England*

Dan Parker (Chair, Legal Sub-committee) – *Goldman Sachs*

David Clark – *European Venues and Intermediaries Association*

Frances Hinden – *Shell*

Galina Dimitrova – *The Investment Association*

Giles Page – *Citigroup*

Isabelle Dennigan (Chair, Operations Sub-committee) – *RBC*

James Kemp – *FICC Markets Standards Board*

James Winterton – *Association of Corporate Treasurers [Alternate]*

Kayhan Mirza – *Goldman Sachs*

Kevin Kimmel – *Citadel Securities*

Marc Bayle de Jesse – *CLS*

Marcus Browning – *Rokos Capital*

Neill Penney – *Refinitiv*

Richard Purssell – *Insight Investment*

Rohan Churm – *Bank of England*

Russell Lascala – *Deutsche Bank*

Sian Hurrell – *RBC*

Simon Manwaring – *Natwest Markets*

Stephen Jefferies – *JP Morgan*

Wang Yan – *Bank of China*

Zar Amrolia – *XTX Markets*

FXJSC **David Edmunds** – *Bank of England*

Secretariat: **Grigoria Christodoulou** – *Bank of England*

James O'Connor – *Bank of England*

Lauren Hustwitt – *Bank of England*

Frederick Ladbury – *Bank of England*

Jonathan Grant (Legal Secretariat) – *Bank of England*

Apologies: **Richard Bibbey** – *HSBC*

Robbie Boukhoufane – *Schroders*

Sarah Boyce – *Association of Corporate Treasurers*

On 27 March 2020, the London Foreign Exchange Joint Standing Committee (FXJSC) held an extraordinary meeting (via conference call) to discuss FX market conditions, functioning, and operational readiness in light of the developments in global financial markets resulting from the outbreak of Covid-19. The meeting was conducted in accordance with the FXJSC's Terms of Reference and Competition Guidelines.

1. Month-End

- The Chair highlighted the GFXC Issues Statement on FX Market Conditions¹ released the previous day, and aimed at encouraging market participants to consider the potential impact of volatility of market functioning during the end-of-month (March) benchmark fixings.

2. FX Market Functioning

- Members observed that liquidity had improved since the previous meeting, and in particular in light of the announcement on 20 March by the major central banks of further enhancements to the provision of liquidity via the standing US dollar liquidity swap line arrangements, increasing frequency of 7-day maturity US dollar repo operations to daily². Liquidity nevertheless remained challenging in places. In particular, members noted a difference between the inter-bank market and the bank-to-client market, with spreads having widened more on the inter-bank market than the client-facing market.
- Volumes traded on platforms had increased further since the previous meeting. It was noted that demand for execution algorithms had increased, some market participants had increased their existing use of algorithms and others were using algorithms for the first time. Whilst market infrastructure remained functional, members noted the potential for strain if additional stresses were introduced during periods of heightened trading. Operational capacity constraints due to working from home were also noted as a potential risk factor.
- Members discussed the uncertain outlook for global economic conditions, including the impact of reduced trade flows, and the implications of that for future market activity.

¹ GFXC Issues Statement on FX Market Conditions can be found [here](#)

² Bank of England Market Notice available at: <https://www.bankofengland.co.uk/markets/market-notices/2020/further-enhancements-to-the-provision-of-us-dollar-repo-operations-market-notice-march-2020>