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**The results of the BIS' triennial central bank survey of Foreign exchange and derivatives market activity in April 2016** was released overnight.

The **comprehensive survey, in which 52 central banks and monetary authorities and 1,300 global dealers and banks participate, forms a key benchmark and revealed a series of important shifts in the last three years.**

These are **stripped and summarised below**. Please see [attached](#) for the BIS' full publication.

#### **Key points:**

Global FX market turnover fell 5.6% in April 2016 from April 2013, with average daily turnover of US\$5.1trn compared to US\$5.4trn, but still well up on 2010 (US\$4trn).

The average daily spot turnover declined for the first time since 2001 from US\$2trn in 2013 to \$1.7trn in 2016, though still up from \$1.5trn in 2010. In contrast, the average daily turnover in FX swaps rose 6% to US\$2.4trn in April 2016, driven by JPY swaps.

#### ***Currency breakdown, proportion of total transactions:***

USD continues to dominate and was on one side of 87.6% of all FX trades (up from 87%).

The shares of EUR, JPY, AUD and CHF in global FX trading have declined.

In contrast, the shares of GBP, CAD, SEK and NOK have increased.

EUR's share fell from 33.4% to 31.3% (\$1.59trn), remains the 2nd most traded currency

JPY's share fell from 23.1% to 21.6% (\$1.1trn, remains the 3rd most traded currency

GBP's share increased from 11.8% to 12.8% (\$650bn), remains 4th most traded currency

AUD's share has fallen from 8.6% to 6.9% (\$353bn), but remains 5th most traded currency (spot: \$144bn, FX swaps: \$142bn outright forwards: \$41bn, FX options: \$20bn and ccy swaps: \$7bn)

CAD's share has risen from 4.6% to 5.1% (\$261bn), moving from 7th to 6th most traded currency (spot: \$105bn; FX Swaps: \$103bn, outright forwards: \$34bn; FX options: \$14bn and ccy swaps: \$4bn)

CHF's share declined from 5.2% to 4.8% (\$243bn), moving from 6th to 7th most traded currency.

**There has been a significant rise in the share of several Emerging Market currencies.**

**Specifically, RMB has become the most actively traded EM currency, shifting up from 9th to 8th most actively traded currency (\$202bn per day; 4% of global FX trading). The breakdown of CNY trading by instrument was FX swap (\$86bn, 42.6%), spot (\$68bn, 34%), outright forwards (\$28bn, 13.8%), Options (\$18bn, 8.9%) and Currency swap (\$3bn, 1.5%).**

**Several other emerging market currencies, particularly from the Asia-Pacific region, gained market share, eg., KRW (from 1.3% to 1.6%; 17th to 15th) and INR (1.0% to 1.1%; 20th to 17th).**

In contrast, the turnover of MXN and RUB declined (MXN: from 2.5% to 2.2%; 8th to 10th; RUB: from 1.6% to 1.1%; 12th to 18th).

#### ***Counterparty trends:***

The share of trading between reporting dealers increased for the first time since 1995 from 39% to 42% (US\$2.1trn/day).

Institutional investors increased their share of FX trading from 11% to 16%.

The Official sector's share of FX trading increased from 1% to 1.5%.

In contrast, hedge funds and proprietary trading firms' share decreased from 11% to 8%.

#### ***Geographic trends in trading volumes:***

The share of FX trading in the UK declined from 41% in 2013 to 37% in April 2016.

The market share of the euro area continued to decline, falling from 9% to 8%.

The share of trading activity taking place in Switzerland and Australia also continued to fall, from ~3% to ~2% each.

In contrast, HK, Singapore and Japan saw increased trading activity shares (HK from 4.1% to 6.7%; Singapore from 5.7% to 7.9% and Japan from 5.6% to 6.1%).