

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

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RESULTS OF THE SEMI-ANNUAL FX TURNOVER SURVEY IN OCTOBER 2005

In October 2005, 30 financial institutions active in the UK foreign exchange market participated in the third 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 \$789 billion in October 2005.
- Average daily reported UK turnover in other OTC foreign exchange instruments² was \$73 billion in October 2005
- Combined average daily turnover in October 2005 was 31% higher than in October 2004.

Tables 1 to 5 below provide various summaries of the average daily data for October 2005, with comparisons to April 2005; while the full set of data for October 2005 is in Annex A. Revised data for April 2005 has recently been received and is included as Annex B.

Similar surveys were also conducted for the New York market in October 2005 by the New York Foreign Exchange Committee, and for the Singapore market by the Singapore Foreign Exchange Market Committee. The results of these surveys can be found at <http://www.newyorkfed.org/fxc/> and <http://www.sfemc.org> respectively.

¹ Spot, outright forward and FX swap

² FX options 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 institutions³

ABN AMRO

ANZ

Bank of America

Bank of Tokyo-Mitsubishi

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

³ Commerzbank has requested its data is no longer collected as part the FX JSC survey, as its FX sales and trading business is now priced in Frankfurt.

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

Daily averages in billions of US dollars

Instrument	April 2005	October 2005
Spot transactions	230	257
Outright forwards	50	66
Foreign exchange swaps	390	467
Total 'traditional' foreign exchange turnover	670	789
Currency Swaps	4	5
Foreign Exchange Options	65	69
Total OTC foreign exchange derivatives turnover	70	73

¹ Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.

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

Daily averages in billions of US dollars

Instrument/counterparty	April 2005	October 2005
Spot transactions	230	257
with UK banks	75	87
with non-resident banks	102	115
<i>of which with EU banks</i>	<i>44</i>	<i>41</i>
with UK non-banks	11	11
with non-resident non-banks	42	44
<i>of which with EU non-banks</i>	<i>10</i>	<i>10</i>
Outright forwards	50	66
with UK banks	7	13
with non-resident banks	10	17
<i>of which with EU banks</i>	<i>3</i>	<i>4</i>
with UK non-banks	11	11
with non-resident non-banks	21	25
<i>of which with EU non-banks</i>	<i>8</i>	<i>9</i>
Foreign exchange swaps	390	467
with UK banks	131	171
with non-resident banks	181	211
<i>of which with EU banks</i>	<i>91</i>	<i>113</i>
with UK non-banks	21	27
with non-resident non-banks	57	57
<i>of which with EU non-banks</i>	<i>13</i>	<i>14</i>

¹ Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.

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

Daily averages in billions of US dollars

Instrument/counterparty	April 2005	October 2005
Currency swaps	4	5
With UK banks	2	2
With non-resident banks	2	2
<i>of which with EU banks</i>	<i>1</i>	<i>1</i>
With UK non-banks	0	0
With non-resident non-banks	1	1
<i>of which with EU non-banks</i>	<i>0</i>	<i>0</i>
Foreign exchange options	65	69
With UK banks	28	31
With non-resident banks	20	23
<i>of which with EU banks</i>	<i>12</i>	<i>11</i>
With UK non-banks	3	3
With non-resident non-banks	14	12
<i>of which with EU non-banks</i>	<i>4</i>	<i>2</i>

¹ Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.

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

Percentage shares of average daily turnover

Currency	April 2005	October 2005
US dollar	87	87
Euro	45	44
Pound Sterling	21	21
Japanese yen	16	16
Other currencies	31	32
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 2005		October 2005	
	Amount	Proportion of total (%)	Amount	Proportion of total (%)
USD/EUR	255	34	289	34
USD/GBP	115	16	140	16
USD/JPY	97	13	114	13
USD/CHF	36	5	37	4
USD/AUD	30	4	30	3
USD/CAD	21	3	28	3
EUR/GBP	30	4	31	4
EUR/JPY	19	3	17	2
EUR/CHF	14	2	15	2
GBP/JPY	3	0.4	4	0.4
Other currency pairs	121	16	159	18
All currency pairs	739	100	863	100

¹ Adjusted for double counting of deals between survey contributors.
Totals may not sum due to rounding.

ANNEX A – AGGREGATE REPORTED TURNOVER IN OCTOBER 2005

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	1892920	668812	683912	245177	179703	193796	282617	177950	193711	34143	845585	5398324
Outright Forwards	417148	167548	155869	58939	31363	35720	76953	34507	38378	11549	348605	1376577
FX Swaps	3325972	1979491	1240369	428048	360831	312131	230672	74090	32482	26110	1789947	9800142
Currency Swaps	33813	28593	5518	1753	489	777	7784	1047	1795	114	12832	94514
FX Options	401284	100526	298949	43150	50700	45679	48372	65269	44332	8361	339626	1446246
TOTAL	6071137	2944969	2384617	777066	623086	588101	646397	352862	310697	80277	3336595	18115802

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	2219005	1340772	735501	229133	261273	197517	197708	95184	99360	17136	985576	6378163
With non-resident banks	2638474	1032372	920108	348942	262615	283341	199993	139959	121540	26776	1739643	7713763
<i>of which EU banks</i>	1463769	483629	277399	123426	57430	77655	120360	64117	56660	8474	817882	3550801
With UK non-banks	251835	322763	123877	28140	23334	26278	126716	17572	11227	21259	149488	1102489
With non-resident non-banks	961819	249059	605135	170855	75867	80965	121979	100146	78566	15103	461878	2921372
<i>of which EU non-banks</i>	352495	50609	31148	18690	18486	13520	63550	31136	18854	1975	142763	743226
TOTAL	6071133	2944966	2384621	777070	623089	588101	646396	352861	310693	80274	3336585	18115787

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	1819936	2420764	853144	235906	921719	202454	5398325
Outright Forwards	275765	350785	87862	228818	521212	191593	1376580
FX Swaps	3593033	4428888	2369320	574499	1203718	296887	9800138
Currency Swaps	36148	32876	19092	10083	15404	6277	94511
FX Options	653284	480466	221378	53178	259321	46017	1446249
TOTAL	6378165	7713779	3550796	1102484	2921374	743228	18115802

ANNEX B – AGGREGATE REPORTED TURNOVER IN APRIL 2005

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	1773109	609381	534096	223503	171294	131331	269255	175572	174261	23206	746281	4831286
Outright Forwards	287116	125904	112040	45899	40890	23253	83315	49068	28929	10045	237248	1043705
FX Swaps	2855904	1528478	1114104	442660	365615	257592	201419	69193	28465	15591	1306061	8185081
Currency Swaps	35012	15750	8968	3642	1281	1189	8599	633	1222	242	10130	86665
FX Options	395273	132320	258771	40068	51615	32038	62846	103338	53744	13014	231405	1374429
TOTAL	5346412	2411832	2027978	755772	630694	445402	625434	397802	286620	62098	2531124	15521165

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	1832754	956543	589030	237962	231221	146935	184400	116146	89602	14430	716938	5115959
With non-resident banks	2445537	910346	820858	322751	251177	204488	186116	152553	113391	18802	1188980	6614999
<i>of which EU banks</i>	1315649	459757	253601	144957	60491	66320	139037	74406	58133	5513	586331	3164195
With UK non-banks	234953	245408	88692	28185	32998	24871	128595	19589	12914	17000	141037	974242
With non-resident non-banks	833172	299544	529399	166867	115286	69107	126325	109505	70711	11864	484168	2815948
<i>of which EU non-banks</i>	332759	67935	38016	22054	18673	13139	71193	34820	19824	2862	115681	736956
TOTAL	5346416	2411841	2027979	755765	630682	445401	625436	397793	286618	62096	2531123	15521148

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	1576083	2144371	926138	229107	881733	199524	4831294
Outright Forwards	152732	219573	66023	224324	447077	177250	1043706
FX Swaps	2759578	3794236	1901641	442912	1188362	278232	8185088
Currency Swaps	34722	31943	22191	7175	12828	3360	86668
FX Options	592850	424889	248205	70738	285958	78585	1374435
TOTAL	5115964	6615012	3164198	974256	2815958	736951	15521190