

CANADIAN FOREIGN EXCHANGE COMMITTEE

Report on Activities

2011

Canadian Foreign Exchange Committee Report on Activities 2011

The Canadian Foreign Exchange Committee (CFEC) continued to contribute to the evolution of the Canadian foreign exchange (FX) market in 2011. The first section of this annual report highlights the Committee's recent key activities. The ongoing activities of the CFEC and the historic role of the Committee in the foreign exchange market in Canada are further detailed in an Annex to this report. Member lists and Documents of Objectives and Organization have also been included at the end of the report.

Recent Activities of the CFEC

Market Developments and Policy Issues

The Bank of Canada and the CFEC hosted the fourth global meeting of foreign exchange committees in Ottawa on April 4th.¹ Foreign exchange committees, comprising central and private sector banks, from London, New York, Europe, Tokyo, Singapore, Hong Kong, Australia and Canada² attended. The discussions included a review of the current global regulatory restructuring efforts, the development of central clearing services globally, and the impacts, risks, costs and benefits of high frequency trading on foreign exchange.³ The impact of prime brokerage⁴, e-trading and retail foreign exchange were also discussed in detail.

¹ Previous meetings had been hosted by the Federal Reserve Bank of New York in New York in October 2006, the Bank of England in London in April 2008, and the Monetary Authority of Singapore in Singapore in December 2009. Meetings have typically been held once every 18 months.

² The CFEC was represented by Donna Howard, Harry Culham, and Rob Ogrodnick. Harri Vikstedt from the Bank of Canada also attended.

³ High frequency trading (HFT) is a subset of automated trading which, in turn, can be defined as electronic trading that uses algorithms at some stage in the trade process. In HFT, computers use algorithms to make decisions to initiate orders at speeds faster than any human trader would be capable of.

⁴ Prime brokerage is a practice that enables a bank customer to trade directly with dealers or other banks in the name of the prime broker bank. The dealers or other banks recognize the prime broker (not the customer) as the counterparty in the trade. This allows the customer to source liquidity from a number of banks while maintaining a credit relationship, collateral and settlement with just one entity, the prime broker.

In line with one of the five priorities that CFEC identified in the March 2010 paper⁵ to support the resiliency of FX markets, a number of CFEC member banks continued to work with CLS Bank (and its members), the Bank of Canada and the New York Federal Reserve on the same-day settlement initiative to settle trades in USD-CAD on a same-day basis in CLS. This initiative will allow banks to eliminate their settlement risk for same-day trades. One of the initial challenges identified for the adoption of a same-day CLS settlement session was related to intraday liquidity concerns, and more recently, intraday credit concerns related to third-party (nostro) settlement have also been identified. These issues are currently being addressed by the FX industry and the implementation for the CLS same-day session is targeted for late 2013.

CFEC has begun the process to assess whether the ACI Model Code, adopted by CFEC in 2001 as the Canadian foreign exchange code of conduct, is the most appropriate code for Canada. The Canadian Committee for Professionalism (CCFP) and the Financial Markets Association of Canada (FMAC) will examine the issue based on work undertaken at the global foreign exchange committee level to compare and map the similarities and differences in the various codes of conduct.

CFEC member banks participated in the annual Bank of Canada survey on Canadian Foreign Exchange Hedging covering the FX hedging activity of the banks' client base. The 2011 survey was split into two parts, each separately covering the Canadian-dollar hedging activity of the corporate and institutional client base. A summary of the results can be found on both the Bank of Canada's or CFEC's websites.

CFEC members also participated in the fact-finding exercise on high frequency trading in FX that was conducted by the Bank of Canada and other central banks on behalf of the BIS Markets Committee. A BIS paper on high frequency trading was released in September 2011⁶ and can be found at www.bis.org/publ/mktc05.htm

In addition to the above achievements, the Committee convened three times in 2011 at the offices of the Bank of Canada, Thomson Reuters and Toronto Dominion Bank. Details of each meeting can be found in the published minutes on the CFEC website.

Organization and Membership

The CFEC issues this Report on an annual basis to inform financial institutions that are active in the Canadian foreign exchange market about the Committee's activities and membership. Over the course of the year, updates on the activities of the Committee can be found on the CFEC's website (www.cfec.ca) under the links to either the Announcements of the Committee or the Minutes of meetings. The website also contains

⁵ The Canadian Foreign Exchange Market: Developments and Opportunities, 5 March 2010.

⁶ High-frequency trading in the foreign exchange market, 27 September 2011.

an up-to-date membership list, information on foreign exchange volumes and rates, articles of interest to the foreign exchange community and links to the websites of other foreign exchange committees and organizations.

There was only one membership change on the CFEC in 2011. Lynn Patterson from Bank of America Merrill Lynch stepped down from the Committee.

The valuable contributions made, over the past year, by all the members on the CFEC and its subcommittees to the well functioning of the Canadian FX market are greatly appreciated.

Donna Howard
Chair
Canadian Foreign Exchange Committee
2011 Report on Activities

Annex on Ongoing Activities and Historic Role of the CFEC

The Canadian Foreign Exchange Committee (CFEC) is composed of senior representatives from financial institutions actively involved in the foreign exchange market in Canada and the U.S. dollar/Canadian dollar market globally (see membership list on page 7). Formed in 1989, its objective is to provide a forum for the regular discussion of issues and developments pertinent to the foreign exchange market. This includes the review of market practices and procedures, and the promotion of professionalism and integrity in the industry. It also serves as a channel of communication between the foreign exchange market in Canada and other organizations and official institutions, both within Canada and abroad.⁷

Each meeting of the CFEC includes a Tour de table in which there is an exchange of views on foreign exchange and other financial market developments. It also acts as a forum for the Bank of Canada to obtain the views of representatives from the foreign exchange market on various issues and, similarly, for market participants to bring issues of concern to the attention of the Bank.

The CFEC has three standing subcommittees: the Canadian Committee for Professionalism (CCFP), the Operations Managers Working Group (OMWG) and the Membership Subcommittee (MSC). The work of the CCFP and the OMWG are described in this Annex. The role of the MSC can be found in the Document of Objectives and Organization for the CFEC which is attached to this report.

Canadian Committee for Professionalism

The CCFP, which is sponsored jointly by the CFEC and the Financial Markets Association of Canada (FMAC), was inaugurated in 1993. This independent Committee reports regularly to the CFEC, and its guiding mission is to promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange market. The Document of Organization for the CCFP, which can be found on pages 11-12 of this Report, was last updated in January 2007. A list of the members can be found on page 8.

Another objective of the CCFP is to arbitrate disputes, upon request, between two or more counterparties. While it is only on rare occasions that the CCFP has received any formal request for arbitration, the Committee has provided advice and direction on issues related to best market practices.

⁷The full document of Objectives and Organization, which was originally developed by the Committee in 1990, and was most recently revised in May 2003, can be found on pages 9-10.

ACI Model Code

In 2001 the CFEC, along with the CCFP and the FMAC, adopted the *ACI Model Code* as the standard for best market practices in the Canadian foreign exchange market. The Model Code was first published in the year 2000 by ACI - The Financial Markets Association, the global umbrella organization of foreign exchange associations. It combined the recommendations for six pre-existing codes of conduct (those of New York, London, France, Singapore, Tokyo and the original ACI Code). The Code is kept current through updates that result from the regular review of the Code by the ACI Committee for Professionalism. A link to the latest version of the *ACI Model Code* can be found at the CFEC website (www.cfec.ca) under Announcements.

Operations Managers Working Group

The OMWG was established in 2003. The purpose of this group is to focus on operational issues such as delivery or settlement problems, confirmation procedures and best practices, business continuity planning, SWIFT messaging issues, straight-through processing and electronic confirmations etc. A list of the members can be found on page 8.

In 2004, the Canadian OMWG endorsed two best practices documents that are published by the New York Foreign Exchange Committee. The first publication, *Management of Operational Risk in Foreign Exchange*, recommends 60 best practices for financial institutions to use as a resource or checklist for when they regularly evaluate their policies and procedures to manage operational risk. The second publication, *Recommendations for Nondealer Participants*, is a condensed version of the 60 best practices that is geared towards nondealer participants who, while perhaps not as active in foreign exchange, could benefit from the recommendations. A link to these documents can be found on the CFEC website (www.cfec.ca) under Announcements. Two members of the Canadian OMWG participate in the meetings of the New York OMWG.

Market Statistics

2013 Triennial Survey

Preliminary work has already begun on the next triennial central bank survey of foreign exchange and derivatives market activity that will be conducted during the month of April 2013 for turnover data and as of 30 June 2013 for amounts outstanding. Comments have been sent to the Bank for International Settlements (BIS) in response to their questions as they undertake a post mortem and re-assessment of the previous survey in preparation for the 2013 survey. The results of the 2010 survey can be found on the CFEC website (www.cfec.ca) under the page on Foreign Exchange Volumes and Rates.

Regular Derivatives Market Statistics

Statistics on derivatives markets from approximately 60 major global dealers in the Group of 10 (G10) countries are collected regularly. Consolidated amounts outstanding were collected for the first time as of 30 June 1998 and have been collected every six months thereafter. Two additional Canadian banks began reporting as of 30 June 2011, bringing to five the number of participating financial institutions in Canada. The data collected covers foreign exchange, interest rate, equity and commodity derivatives, and credit default swaps. The BIS issues a press release with the aggregated global summary results of this survey after each reporting date.

CFEC Semi-annual Foreign Exchange Volume Survey

A semi-annual survey (every April and October) is conducted to track foreign exchange volumes for U.S. dollar/Canadian dollar as well as other currency pairs. It includes a table on the method of execution for foreign exchange trades, and counterparty definitions similar to those in the BIS triennial survey. In general, the new report is similar in nature to, but not directly comparable with, the triennial survey. It includes only the larger participants in the Canadian foreign exchange market whose volume accounts for most of the market. A number of other jurisdictions, including New York, London, Tokyo, Singapore and Australia, have adopted similar surveys. The Canadian semi-annual data are made available on the CFEC's website (www.cfec.ca) a few months after the survey. It is jointly released with several other countries. The October 2011 data have been appended to this Report.

IFXCO, IFEMA and ICOM Master Agreements

The CFEC has, in conjunction with the Foreign Exchange Committee of New York, the British Bankers' Association and the Tokyo Foreign Exchange Market Practices Committee, sponsored work on three Master Agreements: the International Foreign Exchange Master Agreement (IFEMA), the International Currency Options Market Master Agreement (ICOM), and the International Foreign Exchange and Options Master Agreement (FEOMA). In 1997, the CFEC, along with the above-noted committees, obtained legal opinions as to the enforceability and validity of the netting provisions of the updated IFEMA, ICOM and FEOMA Master Agreements in various jurisdictions including Canada. In 2004, the CFEC agreed to co-sponsor an updated master agreement known as the International Foreign Exchange and Currency Option (IFXCO) Master Agreement. IFXCO is based on the 1997 FEOMA agreement. Like FEOMA, IFXCO covers spot and forward foreign exchange transactions and currency options. An update on the legal opinion is obtained each year.

Canadian Foreign Exchange Committee Membership, January 2012

Donna Howard, Chief – Financial Markets Department (Chair)
Bank of Canada, Ottawa

Harry Culham, Managing Director, Head of Capital Markets Trading
CIBC World Markets, Toronto

Jeff Feig, Managing Director
Citigroup, New York

Laurent Ferreira, EVP & Managing Director - Derivatives
National Bank of Canada, Montreal

Jason Henderson, Treasurer & Co-Head of Global Markets
HSBC Bank Canada, Toronto

Blake Jespersen, Director (President, FMAC, an ex officio post)
BMO Capital Markets, Toronto

Mark Johnson, Managing Director (Chair, CCFP, an ex officio post)
RBC Capital Markets, Toronto

Moti Jungreis, MD & Global Head of Currency Trading & International Fixed Income
TD Securities, London

Clifton Lee-Sing, Chief, Reserves and Risk Management
Department of Finance, Ottawa

Jack Linker, Director
Thomson Reuters America, New York

Ed Monaghan, Global Head of Foreign Exchange
RBC Capital Markets, London

John Nixon, CEO of ICAP Electronic Broking
ICAP North America, Jersey City

Jason Shell, Managing Director, Head of North American FX
Deutsche Bank, New York

Jamie Thorsen, Executive Managing Director, FX Products & China Capital Markets
BMO Capital Markets, Chicago

Barry Wainstein, Vice Chairman, Global Head of Foreign Exchange & Precious Metals
Scotia Capital, Toronto

Rob Ogrodnick, Senior Analyst (Secretary)
Bank of Canada, Toronto

Other Committee Members January 2012

Canadian Committee for Professionalism (CCFP)

Mark Johnson (Chair)	RBC Capital Markets
Joe Barbaro	Thomson Reuters (Canada)
Jean-Philippe Begin	National Bank of Canada
Chris Benham	CIBC World Markets
Greg Debiene	TD Securities
Jason Henderson	HSBC Bank Canada
Blake Jespersen	President, FMAC
Peter Loukas	BMO Capital Markets
Brendan Luxton	Bank of Nova Scotia
Tim Miles	ICAP Capital Markets Canada
Rob Ogrodnick	Bank of Canada

Operations Managers Working Group (OMWG)

Andy Sittambalam (Chair)	Scotiabank
Bebi Ali	HSBC Bank Canada
Becky Alush	CIBC World Markets
Laura Coward	Bank of Montreal
Anne Dumay	National Bank
Jean Naphine	RBC Capital Markets
Catherine Paquin	Laurentian Bank
Michael Rober	State Street Bank & Trust Co.
Matthew Savory	TD Securities
Rob Ogrodnick (Secretary)	Bank of Canada

CFEC Membership Subcommittee (MSC)

Donna Howard (Chair)	Bank of Canada
Moti Jungreis	TD Securities
Jamie Thorsen	BMO Capital Markets
Barry Wainstein	Bank of Nova Scotia

CANADIAN FOREIGN EXCHANGE COMMITTEE

Document of Objectives and Organization May 2003

I. Objectives

The objectives of the Committee are:

- to provide a forum for the regular exchange of views on foreign exchange market developments;
- to identify, analyse and comment on issues pertinent to the foreign exchange market;
- to review procedures, practices, and technical issues on the foreign exchange and related financial markets;
- to provide a channel for communication between the foreign exchange market in Canada and organizations and official institutions within Canada and abroad; and,
- to promote, to the community at large, the activities, decisions and views of the Committee, as representative of the Canadian foreign exchange market generally;

II. Organization

1. The Committee is comprised of senior officers of institutions actively participating in the Canadian foreign exchange market and the Canadian dollar market globally.
2. The composition of the Committee is to reflect the interests of the major Canadian dollar market-making institutions in Canada and such other interests of the foreign exchange community as the standing Membership Subcommittee (as described below) believes will contribute positively to the ongoing work of the Committee. It shall include one representative each from the inter-dealer voice and electronic broking communities, the Department of Finance and the Bank of Canada. The Committee may also include up to two non-resident representatives from major Canadian dollar market-making institutions based outside of Canada.
3. The President of the Financial Markets Association of Canada and the Chairperson of the Canadian Committee for Professionalism, if they are not already members in their own right, are to be non-voting, ex-officio members.

4. An officer of the Bank of Canada will serve as Secretary to the Committee.
5. The Committee will not exceed 16 voting members, excluding the Secretary. A quorum is two-thirds of voting members. Members each have one vote. The Chair votes only in the case of a tie. Members appoint substitutes, from their own organizations, to attend on their behalf on an exceptional basis. Substitutes are to be considered possible candidates for future membership.
6. Initially, one third of the members will serve a term of three years, one third for a term of two years, and a final third for one year. Thereafter, each member will normally serve for a term of three years, although membership will remain, at all times, at the pleasure of the Committee. For consistency, all terms will be deemed to end on April 30.
7. Members serve on the Committee as individuals, to reflect the broader interests of the foreign exchange market, rather than that of the firm which employs them.
8. The Chair of the Committee is elected by and from the current members of the Committee, for a term determined by the Committee. The standing Membership Subcommittee (see below) recommends appropriate candidates for this position.
9. The Committee meets three times each year, or more frequently, as required. At each meeting, the date and location of the next meeting are decided by those present.
10. A standing Membership Subcommittee, consisting of a Chairperson, who is the member from the Bank of Canada, and three other members, as determined by the full Committee, identifies and proposes individuals for membership, based on their personal stature, breadth of experience and anticipated ability to contribute to the work of the Committee. The three other member positions serve a term of three years, with each one expiring in a different year on April 30.
11. The Committee may form ad hoc subcommittees, chaired by any of its members, to study specific issues. Outside participants may be invited to serve on such subcommittees.
12. The Committee will issue an Annual Report of its Activities, to be sent to all financial institutions in Canada known to be active in the foreign exchange market, informing them of the Committee's activities and membership.
13. The Secretary prepares and circulates a notice and the minutes of each meeting to all members and their substitutes.

CANADIAN COMMITTEE FOR PROFESSIONALISM
Document of Organization
January 2007

The Canadian Foreign Exchange Committee (CFEC) and the Financial Markets Association of Canada (FMAC) are joint sponsors of an independent Canadian Committee for Professionalism (CCFP), formed in 1993.

Mission Statement:

To promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange markets.

Objectives:

1. To *advocate* the continuing improvement of market practices to enhance the self-regulatory nature of the foreign exchange markets in Canada.
2. To provide *educational* vehicles which foster the understanding of the foreign exchange markets and related financial markets, in practice and theory.
3. To *arbitrate* disputes, upon request, between two or more members of the community or the institutions they represent.
4. To *communicate* with foreign exchange market professionals, and related trade associations, on matters relating to market practices and ethical conduct.

Committee Members:

The Committee is composed of a maximum of thirteen individuals who will be invited to join the CCFP at the request of the CFEC and FMAC, for a term of two years, with half the sitting Committee being present making a quorum, as follows:

1. The Chairperson of the CFEC or his/her designate.
2. The President of FMAC or his/her designate.
3. One member representing each of the major Canadian dollar market-making institutions in Canada.

4. One representative each from the Montreal foreign exchange community, the inter-dealer voice broker association, the inter-dealer electronic broking community, the foreign bank sector and the Bank of Canada.

Each individual on the Committee may satisfy one or more of the above requirements. A minimum of two members on the Committee should also be sitting members on the CFEC. All the members should have a broad knowledge of the foreign exchange markets in Canada, sufficient stature in the community to engender respect, and an anticipated ability to contribute to the work of the Committee. Traditionally the past President of FMAC has been asked to chair the Committee. If that is not possible, the Committee will select a Chairperson from its membership.

Committee Procedures:

1. The Committee will meet at the Chair's request. The format of the meeting will be informal, and the Committee will report to the CFEC on a regular basis. Any recommendation or issue paper prepared by the Committee will be presented for discussion at the CFEC before distribution and public disclosure.
2. The Committee will use FMAC as a vehicle to distribute information to the market.

THE CANADIAN FOREIGN EXCHANGE COMMITTEE LE COMITÉ CANADIEN DU MARCHÉ DES CHANGES

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CFEC Releases Results of October 2011 Foreign Exchange Volume Survey

February 6, 2012 - The Canadian Foreign Exchange Committee (CFEC) released today the results of its October 2011 semi-annual survey of foreign exchange volumes in Canada. The purpose of the survey is to provide information on the size and structure of the foreign exchange and foreign exchange derivatives market in Canada. Volumes are broken down by product, currency, counterparty, maturity and execution method. The eight banks with the largest foreign exchange activity in Canada participate.

The survey is similar in nature to the Bank for International Settlements' (BIS) Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity. However, the two surveys may not be directly comparable because of some differences in reporting methodology. Most importantly, in the CFEC survey the basis for reporting is the location of the trading desk in Canada, i.e., it includes all transactions that are priced and executed by traders in Canada. In contrast, in the global BIS survey the basis for reporting is the location of the sales desk of any trade.⁸

The summary highlights of the October 2011 survey include the following:

- The monthly turnover in October of traditional foreign exchange products (defined as spot transactions, outright forwards and foreign exchange swaps) totaled over US\$ 1 trillion. On an average daily basis, total turnover declined by 14.4% from US\$ 61.2 billion in April 2011 to US\$ 52.4 billion in October. This was the first decline in traditional foreign exchange turnover since April 2009.
- On an average daily basis in October, spot, outright forward and foreign exchange swap volumes decreased by approximately 8%, 11% and 18% respectively compared with the month of April 2011.
- Compared with the survey one year ago, the average daily turnover of traditional foreign exchange products declined by 9.3% from US\$ 57.8 billion in October 2010 to US\$ 52.4 billion in October 2011.
- The average daily turnover of foreign exchange derivatives (currency swaps and options) totaled US\$ 3.3 billion, down 15.4% from six months earlier. Currency swaps and options were lower by 17% and 13% respectively.

The detailed results of the survey are presented in the summary tables attached.

⁸ Where no sales desk is involved in a transaction, for example in an interbank deal, volumes are based on the trading desk.

The CFEC is an industry group composed of senior representatives from financial institutions actively involved in the foreign exchange market in Canada and the U.S. dollar/Canadian dollar market globally. Formed in 1989, its objective is to provide a forum for the regular discussion of issues and developments pertinent to the foreign exchange market. This includes the review of market practices and procedures, and the promotion of professionalism and integrity in the industry. The Bank of Canada chairs the CFEC and provides secretariat services to the Committee.

The Bank of Canada also co-ordinates the CFEC survey on behalf of the market participants. The eight banks that participate in the survey are:

- Bank of Nova Scotia
- BMO Capital Markets
- CIBC World Markets
- HSBC Bank Canada
- National Bank of Canada
- RBC Capital Markets
- State Street (Canada)
- TD Securities

Globally, a number of other foreign exchange committees conduct similar surveys and they are also releasing their results today on their websites. These include the (London) Foreign Exchange Joint Standing Committee, the (New York) Foreign Exchange Committee, the Singapore Foreign Exchange Market Committee and the Australian Foreign Exchange Committee. Links to the websites of the other foreign exchange committees can be found on the CFEC website (www.cfec.ca). Alternatively, the direct links to their survey results are provided below:

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

<http://www.newyorkfed.org/fxc/volumesurvey/>

<http://www.sfemc.org/statistics.asp>

http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2011Oct_2011/index.html

The Canadian Foreign Exchange Committee
Semi-annual Foreign Exchange Volume Survey
October, 2011

Summary Tables



February 6, 2012

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Table 1: Traditional foreign exchange turnover in Canada
Summary of surveys
Billions of U.S. dollars

	Traditional foreign exchange turnover				Number of business days	Average total daily turnover	Per cent change
	Spot	Outright forwards	FX swaps	Total			
Oct. 2005	223.8	60.9	685.5	970.2	20	48.5	
Apr. 2006	235.4	61.1	703.6	1000.1	19	52.6	8.5
Oct. 2006	238.9	63.3	732.0	1034.1	21	49.2	-6.4
Apr. 2007	236.5	73.8	756.0	1066.2	20	53.3	8.3
Oct. 2007	326.5	88.0	1023.9	1438.4	22	65.4	22.7
Apr. 2008	375.0	110.3	913.0	1398.3	22	63.6	-2.8
Oct. 2008	401.9	185.3	873.3	1460.4	22	66.4	4.4
Apr. 2009	248.4	107.2	690.6	1046.1	21	49.8	-25.0
Oct. 2009	269.9	99.6	724.1	1093.5	21	52.1	4.6
Apr. 2010	358.3	119.5	719.9	1197.7	21	57.0	9.4
Oct. 2010	326.6	147.6	681.1	1155.3	20	57.8	1.4
Apr. 2011	347.1	174.7	702.3	1224.1	20	61.2	5.9
Oct. 2011	319.1	155.5	572.6	1047.2	20	52.4	-14.4

Table 2: Over-the-counter (OTC) derivatives market turnover in Canada
Summary of surveys
Billions of U.S. dollars

	Foreign exchange derivatives			Number of business days	Average total daily turnover	Per cent change
	Currency swaps	Options	Total			
Oct. 2005	24.6	55.2	79.8	20	4.0	
Apr. 2006	27.6	28.0	55.6	19	2.9	-27.5
Oct. 2006	18.5	25.5	44.0	21	2.1	-27.6
Apr. 2007	22.6	36.4	59.1	20	3.0	42.9
Oct. 2007	24.0	44.2	68.1	22	3.1	3.3
Apr. 2008	23.3	35.6	58.9	22	2.7	-12.9
Oct. 2008	21.1	39.0	60.1	22	2.7	0.0
Apr. 2009	21.8	25.3	47.1	21	2.2	-18.5
Oct. 2009	17.6	28.0	45.6	21	2.2	0.0
Apr. 2010	24.3	41.7	66.0	21	3.1	40.9
Oct. 2010	23.9	43.2	67.1	20	3.4	9.7
Apr. 2011	33.0	44.1	77.1	20	3.9	14.7
Oct. 2011	27.4	38.3	65.7	20	3.3	-15.4

Table 3: Total reported foreign exchange turnover in Canada

Millions of U.S. dollars

Instrument and counterparty	Canadian dollar against U.S. dollar			U.S. dollar against currencies other than the Canadian dollar			Canadian dollar against currencies other than the U.S. dollar			All other currency pairs			All currencies		
	Apr-11	Oct-11	Per cent growth	Apr-11	Oct-11	Per cent growth	Apr-11	Oct-11	Per cent growth	Apr-11	Oct-11	Per cent growth	Apr-11	Oct-11	Per cent growth
Spot	189,071	182,961	-3	117,511	111,160	-5	29,612	16,100	-46	10,896	8,838	-19	347,089	319,059	-8
Reporting dealers	32,216	33,196	3	6,804	10,489	54	2,136	2,239	5	200	335	68	41,355	46,259	12
Other dealers	112,023	105,895	-5	100,125	87,197	-13	12,441	5,579	-55	9,792	7,661	-22	234,381	206,332	-12
Other financial	20,348	22,112	9	6,767	8,587	27	13,064	3,559	-73	641	540	-16	40,820	34,798	-15
Non-financial	24,484	21,758	-11	3,815	4,887	28	1,971	4,723	140	263	302	15	30,533	31,670	4
Outright forwards	73,902	77,230	5	69,442	55,933	-19	27,721	19,620	-29	3,666	2,757	-25	174,730	155,539	-11
Reporting dealers	3,299	3,365	2	1,594	1,584	-1	120	406	238	18	0	-100	5,030	5,354	6
Other dealers	17,794	10,718	-40	42,365	29,612	-30	2,231	1,503	-33	1,036	738	-29	63,426	42,571	-33
Other financial	32,996	40,458	23	20,023	17,684	-12	23,198	15,987	-31	2,380	1,759	-26	78,597	75,888	-3
Non-financial	19,813	22,689	15	5,460	7,053	29	2,172	1,724	-21	232	260	12	27,677	31,726	15
FX swaps	488,122	380,721	-22	185,411	173,144	-7	27,088	16,116	-41	1,698	2,667	57	702,319	572,648	-18
Reporting dealers	76,109	53,947	-29	5,986	11,679	95	180	251	39	3	0	-100	82,278	65,877	-20
Other dealers	325,541	238,740	-27	151,584	117,574	-22	8,794	2,057	-77	1,081	1,150	6	487,000	359,521	-26
Other financial	48,835	53,790	10	17,183	24,280	41	15,905	10,405	-35	339	1,351	299	82,262	89,826	9
Non-financial	37,637	34,244	-9	10,658	19,611	84	2,209	3,403	54	275	166	-40	50,779	57,424	13
Total dealers	566,981	445,860	-21	308,458	258,134	-16	25,901	12,035	-54	12,130	9,884	-19	913,470	725,913	-21
Reporting	111,623	90,507	-19	14,384	23,751	65	2,435	2,896	19	221	335	52	128,663	117,489	-9
Other	455,358	355,353	-22	294,074	234,383	-20	23,466	9,139	-61	11,909	9,549	-20	784,807	608,424	-22
Total customers	184,113	195,051	6	63,906	82,102	28	58,519	39,801	-32	4,130	4,378	6	310,668	321,332	3
Financial	102,179	116,360	14	43,973	50,551	15	52,167	29,951	-43	3,360	3,650	9	201,679	200,512	-1
Non-financial	81,934	78,691	-4	19,933	31,551	58	6,352	9,850	55	770	728	-5	108,989	120,820	11
Total turnover	751,094	640,911	-15	372,364	340,236	-9	84,420	51,836	-39	16,260	14,262	-12	1,224,138	1,047,245	-14
<i>Currency swaps</i>	28,501	19,132	-33	4,273	6,491	52	203	510	151	0	1,251	-	32,976	27,383	-17
<i>OTC options</i>	18,996	19,636	3	23,269	16,868	-28	1,538	1,402	-9	280	441	58	44,083	38,347	-13

Table 4: Reported traditional foreign exchange turnover in Canada by instrument and by counterparty
Summary of surveys
Billions of U.S. dollars (and percent shares)

	Instrument						Counterparty							
	Spot		Outright forwards		Foreign exchange swaps		Dealers			Customers				
							Reporting	Other		Financial	Non-financial			
Oct-05	224	(23.1)	61	(6.3)	685	(70.7)	96	(9.9)	658	(67.8)	118	(12.1)	99	(10.2)
Apr-06	235	(23.5)	61	(6.1)	704	(70.4)	102	(10.2)	705	(70.5)	115	(11.5)	77	(7.7)
Oct-06	239	(23.1)	63	(6.1)	732	(70.8)	100	(9.6)	710	(68.7)	138	(13.3)	87	(8.4)
Apr-07	236	(22.2)	74	(6.9)	756	(70.9)	94	(8.8)	698	(65.5)	166	(15.5)	109	(10.2)
Oct-07	326	(22.7)	88	(6.1)	1024	(71.2)	92	(6.4)	1024	(71.2)	181	(12.6)	141	(9.8)
Apr-08	375	(26.8)	110	(7.9)	913	(65.3)	154	(11.0)	940	(67.2)	192	(13.8)	112	(8.0)
Oct-08	402	(27.5)	185	(12.7)	873	(59.8)	155	(10.6)	889	(60.9)	266	(18.2)	151	(10.3)
Apr-09	248	(23.7)	107	(10.2)	691	(66.0)	169	(16.1)	631	(60.3)	155	(14.8)	91	(8.7)
Oct-09	270	(24.7)	100	(9.1)	724	(66.2)	111	(10.1)	743	(68.0)	147	(13.5)	93	(8.5)
Apr-10	358	(29.9)	119	(10.0)	720	(60.1)	108	(9.0)	800	(66.8)	156	(13.0)	134	(11.2)
Oct-10	327	(28.3)	148	(12.8)	681	(59.0)	87	(7.5)	803	(69.5)	135	(11.7)	130	(11.3)
Apr-11	347	(28.4)	175	(14.3)	702	(57.4)	129	(10.5)	785	(64.1)	202	(16.5)	109	(8.9)
Oct-11	319	(30.5)	156	(14.9)	573	(54.7)	117	(11.2)	608	(58.1)	201	(19.1)	121	(11.5)

**Table 5: Currency distribution of traditional
foreign exchange market turnover in Canada**
Summary of surveys
Percent shares

Currency	October 2006	April 2007	October 2007	April 2008	October 2008	April 2009	October 2009	April 2010	October 2010	April 2011	October 2011
U.S. dollar	95.7	94.8	95.4	95.4	93.7	94.2	95.0	94.1	95.6	91.8	93.7
Canadian dollar	63.9	63.4	72.0	71.2	67.0	71.1	72.1	68.9	65.1	68.3	66.1
Euro	11.6	12.2	9.8	10.8	11.8	12.6	11.2	10.8	10.6	11.7	11.4
U.K. pound	6.3	7.2	6.1	5.0	5.0	4.8	5.6	3.6	5.2	4.0	6.5
Japanese yen	5.3	5.8	4.3	4.3	5.4	3.7	2.8	3.7	3.1	3.1	3.7
Australian dollar	5.7	3.6	2.6	2.8	2.0	1.8	2.2	2.3	3.1	2.5	3.8
Swiss franc	1.7	2.9	1.5	1.6	1.1	0.7	0.9	1.0	1.3	1.1	1.2
Other currencies	9.9	10.1	8.4	9.0	14.0	11.1	10.2	15.7	15.9	17.6	13.5
All currencies ^[1]	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0

(1) Since every foreign exchange transaction involves two currencies, the reporting of all currencies necessarily sums to 200 per cent.

Table 6: Reported foreign exchange market turnover in Canada by maturity^a
Millions of U.S. dollars

Instrument	April-08		October-08		April-09		October-09		April-10		October-10		April-11		October-11	
	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share
Outright forwards																
Up to 1 month	45,817	40.6	80,421	42.0	54,787	48.4	46,928	46.4	59,688	49.2	81,147	53.9	105,692	58.8	88,815	55.2
1 month to 1 year	61,957	54.9	104,077	54.4	52,315	46.2	47,267	46.7	56,995	47.0	65,318	43.4	70,886	39.4	69,239	43.0
More than 1 year	4,991	4.4	6,852	3.6	6,074	5.4	6,935	6.9	4,639	3.8	4,000	2.7	3,181	1.8	2,842	1.8
Total	112,764	100.0	191,349	100.0	113,176	100.0	101,130	100.0	121,322	100.0	150,465	100.0	179,759	100.0	160,896	100.0
Foreign exchange swaps																
Up to 1 month	789,189	79.7	736,124	75.6	638,648	77.6	669,255	81.4	641,643	79.2	564,916	76.6	612,377	78.0	469,163	73.5
1 month to 1 year	192,035	19.4	229,050	23.5	177,437	21.5	139,858	17.0	156,915	19.4	168,245	22.8	166,063	21.2	161,685	25.3
More than 1 year	9,125	0.9	8,926	0.9	7,427	0.9	12,764	1.6	12,097	1.5	4,447	0.6	6,157	0.8	7,673	1.2
Total	990,350	100.0	974,100	100.0	823,512	100.0	821,877	100.0	810,655	100.0	737,608	100.0	784,597	100.0	638,521	100.0
OTC options																
Up to 1 month	18,561	41.3	13,524	28.5	15,603	48.3	16,895	42.8	17,488	29.5	18,626	42.1	21,252	47.1	20,980	52.2
1 month to 6 months	17,692	39.4	21,230	44.7	11,764	36.4	10,887	27.6	32,550	54.9	20,336	46.0	18,366	40.7	14,218	35.4
Over 6 months	8,664	19.3	12,741	26.8	4,936	15.3	11,720	29.7	9,277	15.6	5,249	11.9	5,492	12.2	4,979	12.4
Total	44,917	100.0	47,495	100.0	32,303	100.0	39,502	100.0	59,315	100.0	44,211	100.0	45,110	100.0	40,177	100.0

a. Not adjusted for local double counting.

Table 7: Execution methods
Percent shares
October 2011

Classification	Execution Methods Primarily for Dealers			Execution Methods Primarily for Customers			TOTAL
	Dealer Direct	Electronic Broking	Voice Broking	Customer Direct	Single-bank Proprietary Platforms	Multi-bank Dealing Systems	
By Currency Pair:							
Canadian Dollar against							
USD	27	27	22	17	4	4	100
Other	21	7	4	47	4	17	100
U.S. Dollar against							
EUR	21	36	17	17	4	4	100
JPY	28	34	14	14	2	8	100
GBP	13	43	11	13	3	17	100
Total Currency Pairs	27	28	19	18	3	6	100

By Instrument:							
Spot	36	34	10	14	3	2	100
Outright forwards	17	10	9	43	5	16	100
Foreign exchange swaps	23	29	26	14	3	5	100
Cross currency swaps	41	4	30	19	2	4	100
Options	30	41	8	7	3	9	100
Total Instruments	27	28	19	18	3	6	100

By Counterparty:							
With reporting dealers	53	22	25	0	1	0	100
With other dealers	31	44	24	0	1	1	100
With other financial institutions	0	2	7	52	13	26	100
With non-financial customers	0	3	1	84	5	7	100
Total Counterparties	27	28	19	18	3	6	100