

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

150 King Street West  
Suite 2000  
Toronto, Ontario  
M5H 1J9

Contact: Rob Ogrodnick  
Telephone: (416) 542-1339  
Email: rogrodnick@bankofcanada.ca

## CFEC Releases Results of April 2011 Foreign Exchange Volume Survey

**July 25, 2011** - The Canadian Foreign Exchange Committee (CFEC) released today the results of its April 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.<sup>1</sup>

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

- The monthly turnover in April of traditional foreign exchange products (defined as spot transactions, outright forwards and foreign exchange swaps) totaled US\$ 1.22 trillion. On an average daily basis, total turnover increased by 5.9% from US\$ 57.8 billion in October 2010 to US\$ 61.2 billion in April.
- On an average daily basis in April, spot, outright forward and foreign exchange swap volumes increased by about 6%, 18% and 3% respectively compared with the month of October 2010.
- Compared with the survey one year ago, the average daily turnover of traditional foreign exchange products increased by 7.4% from US\$ 57.0 billion in April 2010 to US\$ 61.2 billion in April 2011. However, traditional foreign exchange turnover remains lower than during the October 2007 to October 2008 period.
- The average daily turnover of foreign exchange derivatives (currency swaps and options) totaled US\$ 3.9 billion, up 14.7% from six months earlier. Currency swaps increased by 38% whereas options were up just 2%.

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

---

<sup>1</sup> 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 Tokyo Foreign Exchange Market 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](http://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.fxcomtky.com/index\\_e.html](http://www.fxcomtky.com/index_e.html)

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

[http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2011Apr\\_2011/index.html](http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2011Apr_2011/index.html)

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

**Summary Tables**



July 25, 2011

## **Table of Contents**

### **Summary turnover data for April, 2011**

Table 1	Traditional foreign exchange turnover in Canada - Summary of surveys
Table 2	Over-the-counter (OTC) derivatives market turnover in Canada - Summary of surveys
Table 3	Total reported foreign exchange turnover in Canada
Table 4	Reported traditional foreign exchange turnover in Canada by instrument and by counterparty - Summary of surveys
Table 5	Currency distribution of traditional foreign exchange market turnover in Canada - Summary of surveys
Table 6	Reported foreign exchange market turnover in Canada by maturity
Table 7	Execution methods

**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

**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

**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		
	Oct-10	Apr-11	Per cent growth	Oct-10	Apr-11	Per cent growth	Oct-10	Apr-11	Per cent growth	Oct-10	Apr-11	Per cent growth	Oct-10	Apr-11	Per cent growth
<b>Spot</b>	174,380	189,071	8	132,313	117,511	-11	13,319	29,612	122	6,593	10,896	65	326,605	347,089	6
Reporting dealers	24,252	32,216	33	3,281	6,804	107	113	2,136	1,790	17	200	1,076	27,663	41,355	49
Other dealers	108,182	112,023	4	98,324	100,125	2	6,060	12,441	105	6,049	9,792	62	218,615	234,381	7
Other financial	17,029	20,348	19	6,522	6,767	4	5,320	13,064	146	264	641	143	29,135	40,820	40
Non-financial	24,917	24,484	-2	24,186	3,815	-84	1,826	1,971	8	263	263	0	51,192	30,533	-40
<b>Outright forwards</b>	55,700	73,902	33	78,244	69,442	-11	10,605	27,721	161	3,040	3,666	21	147,589	174,730	18
Reporting dealers	1,184	3,299	179	1,604	1,594	-1	82	120	46	5	18	260	2,875	5,030	75
Other dealers	9,588	17,794	86	57,390	42,365	-26	1,374	2,231	62	916	1,036	13	69,268	63,426	-8
Other financial	26,080	32,996	27	13,260	20,023	51	7,838	23,198	196	1,910	2,380	25	49,088	78,597	60
Non-financial	18,848	19,813	5	5,990	5,460	-9	1,311	2,172	66	209	232	11	26,358	27,677	5
<b>FX swaps</b>	482,402	488,122	1	181,731	185,411	2	15,714	27,088	72	1,251	1,698	36	681,097	702,319	3
Reporting dealers	49,584	76,109	53	6,680	5,986	-10	243	180	-26	3	3	0	56,509	82,278	46
Other dealers	363,833	325,541	-11	146,933	151,584	3	4,168	8,794	111	200	1,081	441	515,134	487,000	-5
Other financial	37,013	48,835	32	9,397	17,183	83	9,844	15,905	62	413	339	-18	56,667	82,262	45
Non-financial	31,972	37,637	18	18,721	10,658	-43	1,459	2,209	51	635	275	-57	52,787	50,779	-4
<b>Total dealers</b>	556,623	566,981	2	314,211	308,458	-2	12,040	25,901	115	7,190	12,130	69	890,063	913,470	3
Reporting	75,020	111,623	49	11,564	14,384	24	438	2,435	456	25	221	784	87,046	128,663	48
Other	481,603	455,358	-5	302,647	294,074	-3	11,602	23,466	102	7,165	11,909	66	803,017	784,807	-2
<b>Total customers</b>	155,859	184,113	18	78,076	63,906	-18	27,598	58,519	112	3,694	4,130	12	265,227	310,668	17
Financial	80,122	102,179	28	29,179	43,973	51	23,002	52,167	127	2,587	3,360	30	134,890	201,679	50
Non-financial	75,737	81,934	8	48,897	19,933	-59	4,596	6,352	38	1,107	770	-30	130,337	108,989	-16
<b>Total turnover</b>	712,482	751,094	5	392,287	372,364	-5	39,638	84,420	113	10,884	16,260	49	1,155,290	1,224,138	6
<i>Currency swaps</i>	20,317	28,501	40	2,681	4,273	59	501	203	-59	414	0	-100	23,913	32,976	38
<i>OTC options</i>	18,791	18,996	1	21,363	23,269	9	1,391	1,538	11	1,622	280	-83	43,167	44,083	2

**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)

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

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

Millions of U.S. dollars

Instrument	October-07		April-08		October-08		April-09		October-09		April-10		October-10		April-11	
	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share
<b>Outright forwards</b>																
Up to 1 month	44,800	49.7	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
1 month to 1 year	41,595	46.1	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
More than 1 year	3,785	4.2	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
<b>Total</b>	<b>90,179</b>	<b>100.0</b>	<b>112,764</b>	<b>100.0</b>	<b>191,349</b>	<b>100.0</b>	<b>113,176</b>	<b>100.0</b>	<b>101,130</b>	<b>100.0</b>	<b>121,322</b>	<b>100.0</b>	<b>150,465</b>	<b>100.0</b>	<b>179,759</b>	<b>100.0</b>
<b>Foreign exchange swaps</b>																
Up to 1 month	872,910	79.7	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
1 month to 1 year	214,868	19.6	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
More than 1 year	7,562	0.7	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
<b>Total</b>	<b>1,095,341</b>	<b>100.0</b>	<b>990,350</b>	<b>100.0</b>	<b>974,100</b>	<b>100.0</b>	<b>823,512</b>	<b>100.0</b>	<b>821,877</b>	<b>100.0</b>	<b>810,655</b>	<b>100.0</b>	<b>737,608</b>	<b>100.0</b>	<b>784,597</b>	<b>100.0</b>
<b>OTC options</b>																
Up to 1 month	29,176	54.3	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
1 month to 6	18,586	34.6	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
Over 6 months	6,011	11.2	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
<b>Total</b>	<b>53,773</b>	<b>100.0</b>	<b>44,917</b>	<b>100.0</b>	<b>47,495</b>	<b>100.0</b>	<b>32,303</b>	<b>100.0</b>	<b>39,502</b>	<b>100.0</b>	<b>59,315</b>	<b>100.0</b>	<b>44,211</b>	<b>100.0</b>	<b>45,110</b>	<b>100.0</b>

a. Not adjusted for local double counting.

**Table 7: Execution methods**  
**Percent shares**  
**April 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	
<b>By Currency Pair:</b>							
<b>Canadian Dollar against</b>							
USD	36	25	19	15	1	4	100
Other	27	10	1	48	2	13	100
<b>U.S. Dollar against</b>							
EUR	28	34	15	11	2	11	100
JPY	32	35	9	13	1	8	100
GBP	40	31	12	10	1	6	100
<b>Total Currency Pairs</b>	34	26	16	16	1	6	100
<b>By Instrument:</b>							
Spot	45	27	9	14	2	3	100
Outright forwards	24	8	8	37	2	22	100
Foreign exchange swaps	30	29	23	13	1	4	100
Cross currency swaps	61	7	18	11	1	2	100
Options	24	43	2	25	1	4	100
<b>Total Instruments</b>	34	26	16	16	1	6	100
<b>By Counterparty:</b>							
With reporting dealers	60	20	19	0	0	0	100
With other dealers	39	38	22	0	1	0	100
With other financial institutions	0	0	1	62	4	33	100
With non-financial customers	0	2	1	86	5	8	100
<b>Total Counterparties</b>	34	26	16	16	1	6	100