



PRESS RELEASE

Madrid, 9 September 2013

Survey of Foreign Exchange and OTC Derivatives Markets Turnover in Spain in April 2013

In April 2013 central Banks and monetary authorities in fifty-three countries, coordinated by the Bank for International Settlements in Basel, conducted a survey of the total trading in the foreign exchange market (spot, forward, FX swaps, currency swaps and currency options) and in the interest rate derivatives market (FRAs, swaps and options) conducted by the most active financial institutions in such markets in their countries. The aim of those surveys, as with those undertaken previously every three years since 1986, was to gauge the size and scope of activity in the foreign exchange and OTC derivatives markets.

As it has done every three years since 1989, the Banco de España has participated in this latest exercise. The survey in Spain covered eight credit institutions, which are assumed to provide an adequate indication of the total volume of the Spanish market. The main results of the survey are highlighted below and several tables are appended to this press release. The figures show the average daily turnover, expressed in millions of US dollars equivalent, after adjustment to allow for the fact that transactions between reporting dealers in Spain will have been reported by both parties to the transaction.¹

The average daily turnover in the Spanish foreign exchange market during April 2013 was US\$ 43 billion, 47% higher than in the same month of 2010 (see Table 1). By market segment, FX swap

¹ The Bank for International Settlements issues a press release on the size of the global market, obtained from the information provided by the fifty-three countries participating in the survey (www.bis.org/triennial.htm). To obtain the size of the global market it is not sufficient simply to aggregate the figures for each country, because to do so would involve double-counting of cross-border transactions. The Bank for International Settlements makes the necessary adjustments.

operations amounted to US\$ 24.9 billion, accounting for 58% of the Spanish foreign exchange market, this amount representing an increase of 48% compared with the last survey in 2010. The average daily turnover in the spot market was US\$ 13.6 billion, an increase of 64% from the 2010 amount, and spot transactions accounted for 32% of net reported exchange market activity. The average daily turnover in outright forward transactions was US\$ 3.2 billion, up 19% from the 2010 amount, representing 7% of total transactions. Currency swaps accounted for 1%, a decline of 57% compared with 2010. Finally, 2% of operations were currency options and, although this proportion was lower than in the same month of 2010, these transactions increased by 20% in absolute terms.

By currency (see Table 2), the US dollar predominated in foreign exchange turnover, being present in 85% of total transactions, while the euro was traded in 74% of operations. Euro/US dollar transactions accounted for 60% of total transactions (see Table 3), with the following breakdown: 58% of spot transactions (see Table 4), 17% of outright forwards (see Table 5), 68% of FX swaps (see Table 6), 23% of currency swaps (see Table 8) and 21% of options (see Table 9). The euro/other currency transactions accounted for 14% of total transactions and US dollar/other currency transactions 25%. Finally, transactions in which neither the euro nor the US dollar were traded accounted for 1% of the total.

By counterparty (see Table 10), the total transactions were traded as follows: US\$ 25.7 billion with reporting dealers, representing 60% of the total; US\$ 15.4 billion with other financial institutions, representing 36%; and US\$ 2.0 billion with non-financial customers, representing 5%. Transactions traded with other financial institutions accounted for 7% of all transactions in 2010, since when they have risen by 645%.

By geographical area, 16% of transactions were traded with Spanish counterparties, basically with other financial institutions (9%) and non-financial customers (4%), and 84% with cross-border counterparties, of which 56% were reporting dealers and 27% other financial institutions (see Table 10).

With regard to the maturities of swap transactions (see Table 7), the bulk of transactions (99%) were up to one year.

In the OTC interest rate market, the average daily turnover during April 2013 was US\$ 13.7 billion, a decrease of 55% compared with the same month of 2010 (see Table 12). By instrument, turnover in FRAs increased by 91% to US\$ 6.9 billion, turnover in swaps was US\$ 5.6 billion, 78% lower than in the same period in 2010; and, finally, turnover in options was US\$ 1.3 billion, a decrease of 45% from 2010.

The euro was the most traded currency, accounting for 87% of the total turnover in interest rate derivatives (see Table 12). This currency was used in 100% of the FRAs, in 84% of the swaps and in 28% of the options. The share of the US dollar decreased in FRAs and swaps, although the share of swaps rose from 5% in 2010 to 13% in the current survey.

By counterparty (see Table 11), the turnover traded with reporting dealers was US\$ 3.2 billion, this counterparty being down by 84% with respect to April 2010; that with other financial institutions was US\$ 10.3 billion, up by 290%; and that with non-financial customers was US\$ 0.2 billion, down by

97%.

As in the foreign exchange markets, the bulk of turnover (97%) was traded with cross-border counterparties, US\$ 2.8 billion being traded with reporting dealers, US\$ 10.3 billion with other financial institutions and US\$ 0.2 billion with non-financial customers.

Reproduction permitted only if the source is acknowledged.

FOREIGN EXCHANGE AND OTC DERIVATIVES MARKETS

Daily average turnover in April 2013
(in millions of US dollar)

FOREING EXCHANGE MARKET

TABLE 1 - GLOBAL FOREIGN EXCHANGE MARKET TURNOVER

INSTRUMENT	2013		2010		13/10
	Amount	%	Amount	%	%
Total	43.034	100	29.322	100	47
Spot	13.595	32	8.274	28	64
Forwards	3.186	7	2.668	9	19
FX swaps	24.896	58	16.831	57	48
Currency Swaps	286	1	659	2	-57
Options	1.071	2	891	3	20

TABLE 2 - CURRENCY DISTRIBUTION

CURRENCY	2013					
	TOTAL	SPOT	FORWARDS	FX SWAP	CURRENCY SWAPS	OPTIONS
	%	%	%	%	%	%
Euro	74	76	35	79	68	54
US Dollar	85	81	82	88	55	59
Other	40	42	83	32	77	79

TABLE 3 - REPORTED FOREIGN EXCHANGE TURNOVER BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
Total	43.034	100	29.322	100	47
Euro/US Dollar	25.747	60	12.194	42	111
Euro/Other	6.113	14	3.384	12	81
US Dollar/Other	10.674	25	12.414	42	-14

TABLE 4 - SPOT BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
Total	13.595	100	8.274	100	64
Euro/US Dollar	7.909	58	3.511	42	125
Euro/Other	2.402	18	1.457	18	65
US Dollar/Other	3.117	23	2.800	34	11

TABLE 5 - FORWARDS BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
TOTAL	3.186	100	2.668	100	19
Euro/US Dollar	553	17	1.082	41	-49
Euro/Other	557	17	324	12	72
US Dollar/Other	2.047	64	1.248	47	64

TABLE 6 - FX SWAPS BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
TOTAL	24.896	100	16.831	100	48
Euro/US Dollar	16.952	68	6.816	40	149
Euro/Other	2.672	11	1.407	8	90
US Dollar/Other	5.012	20	8.004	48	-37

TABLE 7 - FX SWAPS BY MATURITY

MATURITY	2013	2010
	%	%
TOTAL	100	100
seven days or less	79	76
over seven days and up to one year	21	24
over one year	1	1

TABLE 8 - CURRENCY SWAPS BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
Total	286	100	659	100	-57
Euro/US Dollar	65	23	350	53	-82
Euro/Other	130	45	117	18	11
US Dollar/Other	92	32	191	29	-52

TABLE 9 - OPTIONS BY CURRENCY PAIRS

CURRENCY PAIRS	2013		2010		13/10
	Amount	%	Amount	%	%
Total	1.071	100	891	100	20
Euro/US Dollar	224	21	435	49	-48
Euro/Other	352	33	78	9	349
US Dollar/Other	407	38	170	19	139

TABLE 10 - FOREIGN EXCHANGE MARKET TURNOVER BY COUNTERPARTY

COUNTERPARTY	2013		2010		13/10
	Amount	%	Amount	%	%
TOTAL	43.034	100	29.322	100	47
with reporting dealers	25.662	60	18.134	62	42
- local	1.483	3	472	2	214
- cross-border	24.179	56	17.662	60	37
with other financial institutions	15.350	36	2.061	7	645
- local	3.680	9	504	2	630
- cross-border	11.670	27	1.557	5	650
with non-financial customers	2.023	5	9.127	31	-78
- local	1.739	4	1.475	5	18
- cross-border	284	1	7.652	26	-96

OTC INTEREST RATE DERIVATIVE MARKET

TABLE 11 - OTC DERIVATIVES MARKET BY COUNTERPARTY

COUNTERPARTY	2013		2010		13/10
	Amount	%	Amount	%	%
TOTAL	13.729	100	30.741	100	-55
with reporting dealers	3.181	23	19.887	65	-84
- local	334	2	639	2	-48
- cross-border	2.847	21	19.248	63	-85
with other financial institutions	10.341	75	2.654	9	290
- local	84	1	212	1	-60
- cross-border	10.257	75	2.443	8	320
with non-financial customers	207	2	8.200	27	-97
- local	35	0	856	3	-96
- cross-border	172	1	7.344	24	-98

TABLE 12 - GLOBAL OTC INTEREST RATE DERIVATIVE MARKET BY INSTRUMENT AND CURRENCY

	2013		2010		13/10
	Amount	%	Amount	%	%
TOTAL	13.729	100	30.741	100	-55
US Dollar	989	7	1.573	5	-37
Euro	11.927	87	27.367	89	-56
Other	813	6	1.801	6	-55
FRAS	6.908	100	3.610	100	91
US Dollar	0	0	219	6	-100
Euro	6.908	100	3.390	94	104
Other	0	0	0	0	0
SWAPS	5.551	100	24.809	100	-78
US Dollar	739	13	1.228	5	-40
Euro	4.661	84	23.063	93	-80
Other	151	3	518	2	-71
OPTIONS	1.271	100	2.323	100	-45
US Dollar	251	20	125	5	101
Euro	359	28	914	39	-61
Other	661	52	1.284	55	-48