



Press release

Embargo:

3.00 p.m. on Thursday, 5 September 2013 (CEST)

Communications

P.O. Box, CH-8022 Zurich
Telephone +41 44 631 31 11
communications@snb.ch

Zurich, 5 September 2013

Turnover in foreign exchange and derivatives markets BIS triennial survey: Results for Switzerland

This press release presents the results for a Swiss National Bank (SNB) survey on turnover in foreign exchange and derivatives markets of banks in Switzerland. Data was collected from 25 reporting banks that operate in Switzerland and have a sizeable share in the domestic foreign exchange and over-the-counter (OTC) derivatives markets. These banks reported the turnover of their domestic offices.¹

The SNB survey is part of a global survey coordinated by the Bank for International Settlements (BIS) on foreign exchange and derivatives market activity. It is conducted every three years and in over 50 countries, and this is the ninth time that the SNB has participated.

The survey consists of two parts, with the first on turnover (reference month: April 2013) and the second on amounts outstanding of contracts and on replacement values (reference date: 30 June 2013). The results of the first part of the survey pertaining to Switzerland are presented in this press release. At the same time, the BIS is presenting the global results of the survey on turnover in the global foreign exchange and derivatives markets.² It also plans to publish the global results of the second part of the survey in the fourth quarter of 2013.

¹ www.snb.ch, *Statistics, Surveys, Survey Documents, OTC Derivatives Statistics (BIS)*

² www.bis.org, *Statistics, Foreign Exchange*



Press release

Summary of results

The 25 reporting banks recorded an average daily turnover for the 21 trading days in April of USD 216 billion in foreign exchange transactions and USD 33 billion in interest rate derivatives transactions.³ Compared with the previous survey in 2010, the trading volume in foreign exchange transactions decreased by USD 33 billion (13%), and in interest rate derivatives by USD 42 billion (56%). The decrease in foreign exchange turnover was mainly driven by business activities relocating abroad. The decline in interest rate derivatives turnover occurred in an environment of low interest rate volatility and flat yield curves.

Regarding foreign exchange transactions, by far the most important instruments remained foreign exchange swaps, at 61% (2010: 69%), and spot transactions, at 29% (2010: 23%). The most traded currency continued to be the US dollar, followed by the euro and Swiss franc.

Turnover in interest rate derivatives was again dominated by swaps, at 58% (2010: 74%), and forward rate agreements, at 42% (2010: 25%). Turnover was primarily in euros.

Turnover in foreign exchange transactions

Turnover for the 25 reporting banks in the foreign exchange markets in April 2013 totalled USD 4,544 billion (2010: USD 4,989 billion), an average of USD 216 billion per trading day (2010: USD 249 billion).

Almost two-thirds of the foreign exchange transactions were settled via electronic trading platforms and the remainder by telephone.

Instruments

Average daily turnover amounted to USD 63 billion for spot transactions and USD 154 billion for forward transactions. The latter was dominated by foreign exchange swaps (USD 132 billion). Currency swaps (USD 0.2 billion), outright forwards (USD 14 billion) and foreign exchange options (USD 8 billion) were relatively less significant. Turnover in spot transactions increased slightly on April 2010, by USD 5 billion. By contrast, turnover in forward transactions, notably in foreign exchange swaps, fell markedly, by USD 38 billion. The main reason for this decline was business activities relocating abroad.

Counterparties

The banks' main trading partners in the foreign exchange markets continued to be cross-border financial institutions, accounting for 71%, or USD 153 billion, of average daily

³ Transactions are newly divided into 'foreign exchange transactions' and transactions in 'interest rate derivatives'. The SNB is thereby in line with the BIS's breakdown. Besides spot transactions, foreign exchange transactions refer to foreign exchange swaps, outright forwards, foreign exchange options and currency swaps. Interest rate derivatives comprise swaps, forward rate agreements and options. Until 2010, the SNB distinguished between 'traditional foreign exchange markets' and 'OTC derivatives markets', with the latter including foreign exchange options and currency swaps. Both of these items are now included under foreign exchange transactions.

Press release

turnover. These were followed by local financial institutions, at 22%, or USD 48 billion. Local and cross-border non-financial customers accounted for a 3% share each.

For the first time, the survey also includes an item on the share of trading volume in connection with prime brokerage and retail-driven transactions. Overall, prime brokerage and retail-driven transactions comprised 2% and 11%, respectively, of total foreign exchange turnover.

Currencies

The most traded currency continued to be the US dollar, followed by the euro and Swiss franc. Regarding currency pairs, the EUR/USD once more dominated, accounting for 32% of total turnover (2010: 28%), followed by CHF/USD contracts at 21% (2010: 21%). Other major currency pairs were the USD/JPY (8%), USD/GBP (8%) and CHF/EUR (7%).

Turnover in interest rate derivatives

Average daily turnover in interest rate derivatives markets amounted to USD 33 billion in April 2013, which was USD 42 billion lower than in April 2010. This decline occurred in an environment of low interest rate volatility and flat yield curves, and was mainly due to swap transactions, which fell by 66% from USD 56 billion in April 2010 to USD 19 billion in April 2013. Turnover in forward rate agreements also declined on April 2010, by 28%, from USD 19 billion to USD 14 billion. Turnover in options remained low, at USD 33 million.

Instruments

Despite the sharp decline in turnover, swaps remained the most important instrument, accounting for 58% of total turnover (2010: 74%), followed by forward rate agreements, at 42% (2010: 25%). Options again played a minor role in interest rate derivatives.

Counterparties

As in foreign exchange markets, the most important counterparties were cross-border financial institutions. These again accounted for 96% of turnover, an average of USD 31 billion per trading day (2010: USD 72 billion). The corresponding turnover with local financial institutions declined sharply from USD 2 billion in 2010 to USD 327 million in 2013. This, together with turnover from local and cross-border non-financial customers, continued to play a minor role.

Currencies

The euro accounted for 74% of interest rate derivatives turnover. The Swiss franc and US dollar, accounting for 10% each, were of comparatively minor importance.

Annex to the press release
Turnover in foreign exchange and
derivatives markets
2013

List of tables

Page	Table
4	Conventions used in this publication and notes
5	1 Foreign exchange transactions and interest rate derivatives: overview
6	2 Foreign exchange transactions: counterparties
7	3 Foreign exchange transactions: currencies
8	4 Interest rate derivatives: counterparties
8	5 Interest rate derivatives: currency breakdown

Conventions used in this publication and notes

CONVENTIONS USED IN THIS PUBLICATION

0	Rounded zero or value negligible.
—	Absolute zero.
.	Data confidential, not available or not applicable.

NOTES

Rounding differences

The figures in the tables are rounded. Where rounded figures are used in calculations (totals, balances, rates of change, shares), deviations from the exact values can result.

Further information

publications@snb.ch

Editorial deadline

The cut-off date for the tables was 28 August 2013.

Internet

OTC Derivatives Statistics (BIS)

These tables are available on the internet at www.snb.ch, *Publications/Statistical publications/Foreign exchange and derivatives markets*. Data on the global survey are published on the website of the Bank for International Settlements (BIS) at www.bis.org/triennial.htm.

1 Foreign exchange transactions and interest rate derivatives: overview

	1995	1998	2001	2004	2007	2010	2013
Total turnover In USD billions	1 636	1 950	1 633	1 949	5 972	6 486	5 229
Turnover per trading day (share of total turnover in brackets) In USD millions							
Total turnover	90 874	97 501	85 954	97 459	314 294	324 314	249 012
Foreign exchange transactions	88 432 (97%)	91 619 (94%)	76 339 (89%)	85 410 (88%)	253 639 (81%)	249 453 (77%)	216 394 (87%)
Spot transactions	44 186 (49%)	34 464 (35%)	23 388 (27%)	23 168 (24%)	108 449 (35%)	57 860 (18%)	62 768 (25%)
Foreign exchange swaps	33 925 (37%)	41 790 (43%)	41 104 (48%)	49 393 (51%)	116 418 (37%)	172 880 (53%)	131 535 (53%)
Outright forwards	8 351 (9%)	5 465 (6%)	6 331 (7%)	6 653 (7%)	16 824 (5%)	10 676 (3%)	13 844 (6%)
Foreign exchange options	1 946 (2%)	9 650 (10%)	5 453 (6%)	6 164 (6%)	11 871 (4%)	8 015 (2%)	8 078 (3%)
Currency swaps	23 (0%)	250 (0%)	62 (0%)	32 (0%)	77 (0%)	22 (0%)	169 (0%)
Interest rate derivatives	2 442 (3%)	5 883 (6%)	9 615 (11%)	12 049 (12%)	60 654 (19%)	74 861 (23%)	32 618 (13%)
Swaps	483 (1%)	3 908 (4%)	1 729 (2%)	10 435 (11%)	54 319 (17%)	55 752 (17%)	18 877 (8%)
Forward rate agreements	1 623 (2%)	1 922 (2%)	7 846 (9%)	1 578 (2%)	6 270 (2%)	19 058 (6%)	13 708 (6%)
Options	336 (0%)	53 (0%)	40 (0%)	36 (0%)	66 (0%)	51 (0%)	33 (0%)
Total turnover, by counterparty							
Financial institutions	76 734 (84%)	81 065 (83%)	71 390 (83%)	78 647 (81%)	269 532 (86%)	301 772 (93%)	233 216 (94%)
Local	13 187 (15%)	13 275 (14%)	10 118 (12%)	9 101 (9%)	18 506 (6%)	24 216 (7%)	48 472 (19%)
Cross-border	63 548 (70%)	67 790 (70%)	61 272 (71%)	69 546 (71%)	251 026 (80%)	277 555 (86%)	184 744 (74%)
Non-financial customers	14 140 (16%)	16 436 (17%)	14 564 (17%)	18 812 (19%)	44 761 (14%)	22 542 (7%)	15 796 (6%)
Local	6 465 (7%)	7 071 (7%)	8 565 (10%)	10 501 (11%)	20 930 (7%)	11 476 (4%)	7 570 (3%)
Cross-border	7 674 (8%)	9 366 (10%)	5 999 (7%)	8 311 (9%)	23 831 (8%)	11 066 (3%)	8 226 (3%)
Currency midrates in April							
USD in							
CHF	1.134	1.505	1.712	1.297	1.212	1.069	0.937
EUR	.	.	1.120	0.834	0.740	0.745	0.768
DEM	1.378	1.814	.	.	.	.	.
JPY	83.61	132.03	123.73	107.58	118.91	93.58	97.74
GBP	0.617	0.598	0.697	0.555	0.503	0.653	0.653
Number of banks	114	63	42	22	23	27	25
Number of trading days	18	20	19	20	19	20	21

2 Foreign exchange transactions: counterparties

Turnover per trading day (share of total turnover in brackets)

In USD millions

	Total foreign exchange transactions		Spot transactions		Foreign exchange swaps		Outright forwards		Foreign exchange options		Currency swaps	
Total	216 394	(100%)	62 768	(100%)	131 535	(100%)	13 844	(100%)	8 078	(100%)	169	(100%)
Financial institutions	201 611	(93%)	58 622	(93%)	125 195	(95%)	11 054	(80%)	6 573	(81%)	166	(99%)
of which												
Local	48 145	(22%)	8 264	(13%)	33 363	(25%)	5 923	(43%)	447	(6%)	148	(88%)
Cross-border	153 466	(71%)	50 358	(80%)	91 832	(70%)	5 131	(37%)	6 127	(76%)	18	(11%)
of which												
Banks	155 313	(72%)	46 442	(74%)	99 219	(75%)	3 741	(27%)	5 752	(71%)	157	(93%)
Institutional investors	29 182	(13%)	4 690	(7%)	18 933	(14%)	5 410	(39%)	146	(2%)	3	(2%)
Hedge funds and proprietary trading firms	9 679	(4%)	4 243	(7%)	3 708	(3%)	1 513	(11%)	215	(3%)	—	(0%)
Public institutions	1 109	(1%)	168	(0%)	758	(1%)	157	(1%)	21	(0%)	6	(3%)
Other	6 328	(3%)	3 078	(5%)	2 578	(2%)	233	(2%)	439	(5%)	—	(0%)
Non-financial customers	14 783	(7%)	4 146	(7%)	6 340	(5%)	2 790	(20%)	1 505	(19%)	3	(1%)
Local	7 529	(3%)	2 049	(3%)	4 065	(3%)	1 077	(8%)	336	(4%)	3	(1%)
Cross-border	7 255	(3%)	2 098	(3%)	2 275	(2%)	1 713	(12%)	1 169	(14%)	—	(0%)

3 Foreign exchange transactions: currencies

Changes in the share of currencies concerned

Turnover per trading day (share in total turnover in brackets)

In USD millions

	1995		1998		2001		2004		2007		2010		2013	
USD	63801	(72%)	75278	(82%)	65106	(85%)	71505	(84%)	212599	(84%)	208119	(83%)	181523	(84%)
EUR	.	.	.	.	35156	(46%)	39374	(46%)	109741	(43%)	107225	(43%)	96710	(45%)
DEM	41855	(47%)	32387	(35%)	.	.	.	.	.	.	.	.	.	.
CHF	35908	(41%)	33988	(37%)	25263	(33%)	28330	(33%)	72634	(29%)	74456	(30%)	62555	(29%)
JPY	.	.	.	.	.	.	.	.	33305	(13%)	28130	(11%)	25052	(11%)
GBP	.	.	.	.	.	.	.	.	38990	(15%)	29788	(12%)	22994	(12%)
Other	35300	(40%)	41584	(45%)	27154	(36%)	31611	(37%)	40011	(16%)	51188	(21%)	43954	(20%)
Total	176864	(200%)	183238	(200%)	152678	(200%)	170819	(200%)	507279	(200%)	498905	(200%)	432788	(200%)

Turnover per trading day in April 2013, broken down by currency, instrument and counterparty

In USD millions

	Total foreign exchange transactions	of which CHF against USD				EUR against USD			Scandinavian currencies*	USD against JPY			Asia-Pacific currencies**
		EUR	JPY	GBP	EUR	JPY	GBP	GBP		CAD			
Spot transactions	62768	7005	3932	123	253	19055	3583	1433	1255	8911	4381	1700	5521
Financial institutions	58622	6599	3594	105	220	17309	3357	1351	1235	8575	4090	1669	5421
Non-financial customers	4146	406	337	17	33	1746	226	82	20	336	290	31	100
Forward transactions	153626	37632	10230	497	1163	49595	1648	1845	703	9193	12695	1716	6823
Outright forwards	13844	4330	921	125	144	3237	513	186	189	606	549	98	907
Financial institutions	11054	3971	671	89	118	2389	345	143	158	362	311	73	760
Non-financial customers	2790	358	251	36	26	849	169	44	30	245	238	25	148
Foreign exchange swaps	131535	32911	8803	350	967	44496	858	1487	360	7817	11030	1500	5180
Financial institutions	125195	31660	7646	318	918	43230	764	1222	288	7423	10224	1449	5041
Non-financial customers	6340	1251	1157	32	49	1266	95	265	72	395	806	51	139
Foreign exchange options	8078	356	484	20	44	1819	276	171	153	768	1103	105	734
Financial institutions	6574	259	409	11	33	1528	164	164	146	623	933	83	610
Non-financial customers	1505	96	76	9	11	291	112	8	7	145	170	22	124
Currency swaps	169	35	22	2	7	43	1	1	0	1	13	13	2
Financial institutions	166	35	22	2	7	41	1	1	0	1	13	13	2
Non-financial customers	3	0	0	—	0	1	—	—	—	0	0	—	—
Total	216394	44637	14162	620	1416	68650	5231	3279	1959	18104	17076	3416	12344

*SEK, NOK, DKK

**AUD, NZD, HKD, CNY, SGD, KRW, TWD, INR

4 Interest rate derivatives: counterparties

Turnover per trading day (share of total turnover in brackets)
In USD millions

	Total interest rate derivatives							
	Total interest rate derivatives		Swaps		Forward rate agreements		Options	
Total	32618	(100%)	18877	(100%)	13708	(100%)	33	(100%)
Financial institutions	31605	(97%)	18182	(96%)	13389	(98%)	33	(100%)
Local	327	(1%)	209	(1%)	112	(1%)	6	(18%)
Cross-border	31278	(96%)	17973	(95%)	13277	(97%)	27	(82%)
Non-financial customers	1013	(3%)	695	(4%)	318	(2%)	—	(0%)
Local	41	(0%)	41	(0%)	—	(0%)	—	(0%)
Cross-border	971	(3%)	653	(3%)	318	(2%)	—	(0%)

5 Interest rate derivatives: currency breakdown

Turnover per trading day
in USD millions

	EUR	GBP	CHF	USD	JPY	CAD	Scandinavian currencies*	Asia-Pacific currencies**	Other	Total
Total	24267	1015	3132	3184	87	—	699	234	0	32618
Swaps	15005	683	1230	1634	87	—	4	234	0	18877
Financial institutions	14568	683	1203	1403	87	—	4	234	—	18182
Non-financial customers	437	0	27	231	—	—	—	—	0	695
Forward rate agreements	9262	332	1876	1543	—	—	695	—	—	13708
Financial institutions	9262	332	1876	1295	—	—	625	—	—	13389
Non-financial customers	—	—	—	248	—	—	71	—	—	318
Options	0	0	26	7	—	—	—	—	0	33
Financial institutions	0	0	26	7	—	—	—	—	0	33
Non-financial customers	—	—	—	—	—	—	—	—	—	—

*SEK, NOK, DKK

**AUD, NZD, HKD, CNY, SGD, KRW, TWD, INR

Published by

Swiss National Bank, Statistics, P.O. Box, CH-8022 Zurich
Telephone +41 44 631 31 11

Further information

publications@snb.ch

Languages

English, German, and French

Design

Interbrand Ltd, Zurich

Date of publication

September 2013
Online version

Accessing SNB publications

Swiss National Bank publications are available at www.snb.ch, *Publications*.

Publication dates are listed at www.snb.ch, *Media/Time schedule*.

Many of the publications are available in printed form, either as single copies or in subscription, from:

Swiss National Bank, Library, P.O. Box, CH-8022 Zurich
Telephone +41 44 631 32 84, Fax +41 44 631 81 14
E-mail: library@snb.ch

Copyright ©

The Swiss National Bank (SNB) respects all third-party rights, in particular rights relating to works protected by copyright (information or data, wordings and depictions, to the extent that these are of an individual character).

SNB publications containing a reference to a copyright (© Swiss National Bank/SNB, Zurich/year, or similar) may, under copyright law, only be used (reproduced, used via the internet, etc.) for non-commercial purposes and provided that the source is mentioned. Their use for commercial purposes is only permitted with the prior express consent of the SNB.

General information and data published without reference to a copyright may be used without mentioning the source.

To the extent that the information and data clearly derive from outside sources, the users of such information and data are obliged to respect any existing copyrights and to obtain the right of use from the relevant outside source themselves.

Limitation of liability

The SNB accepts no responsibility for any information it provides. Under no circumstances will it accept any liability for losses or damage which may result from the use of such information. This limitation of liability applies, in particular, to the topicality, accuracy, validity and availability of the information.

© Swiss National Bank, Zurich/Berne 2013