



# AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

## Minutes of February 2022 Meeting

Tuesday 22 February 2022  
Conducted via videoconference

### Attendees

Christopher Kent, RBA (Chair)  
Chris Howlett, ACI Australia  
Mark McCarthy, AFMA  
Luke Marriott, ANZ  
Winnie Tan, Bank of China  
Sarah Costello, BHP Billiton  
David Hatzidis, CBA  
Aaron Ng, Citigroup  
Lee Merchant, Deutsche Bank  
Scott Sloman, Goldman Sachs  
Andy Lukas, HSBC  
Will Richardson, Macquarie Bank  
Heath Moody, National Australia Bank  
Simon Watkin, NEX  
Stuart Simmons, QIC  
Gary Latner, Refinitiv  
Jeremy Carr, Suncorp  
Gareth Taylor, Westpac  
Chris Knight, XTX Markets

### Apologies

Andrew Scott, AMP

### Secretariat

Matthew Boge, RBA (Secretary)  
Jason Griffin, RBA

## **1. Welcome and Competition Guidelines**

The Chair reminded attendees that the meeting would be conducted in line with the RBA's [Competition Law Guidance](#). The Chair also welcomed Heath Moody (NAB) who is replacing David Roughley, and Scott Sloman (Goldman Sachs) replacing Catherine Rich.

## **2. FX Turnover Survey**

Members were briefed on the latest semi-annual FX turnover data, which showed global turnover was little changed in October 2021 compared with six months before, while turnover in the Australian market had declined slightly.

Although FX swaps continued to account for the largest share of turnover in the Australian market, swap activity had declined over recent surveys. This decline was concentrated in swap tenors of seven days or less. Some members noted that significant increases in liquidity in the banking system since the start of the pandemic had reduced the need for FX swaps in funding operations. One member opined that the lack of basis and interest rate term premium may have also reduced opportunistic trading. Conversely, one member suggested that interest rate volatility over 2021 had seen some market participants reduce their duration risk in FX swaps, leading to increased turnover in shorter-dated swaps.

It was also noted that turnover in longer-dated cross currency swaps had continued to decrease, which was likely to have been driven by changes in the composition of bank funding prompted by the introduction of the RBA's Term Funding Facility.

## **3. Global Foreign Exchange Committee (GFXC) Work Agenda**

The Chair outlined the process for AFXC members to provide input to help formulate the GFXC's future work agenda. The GFXC Secretariat had distributed a short survey of possible topics to member FXCs (including the AFXC), and AFXC members were asked to suggest priorities which the AFXC would communicate to the GFXC by the end of the month. Members were also asked to indicate any interest in participating in any future GFXC working groups.

Members briefly discussed the scope of possible interest areas. One member suggested there should be a continued focus on buy-side engagement, and that a localised working group would be beneficial.

## **4. FX Trading Conventions**

A draft of FX trading conventions prepared by the representative from AFMA (and other AFXC members) was circulated to the committee. It was envisaged that these conventions would be hosted on the AFMA and ACI websites, but with links to these added to the AFXC website. The representative from AFMA noted the conventions were designed to complement the Global Code, covering the more mechanical details of trading, rather than appropriate standards of behaviour. Members were encouraged to review the draft and respond to Mr McCarthy and the Secretariat with any suggestions.

## **5. Next meeting**

To be confirmed, but likely to be held in late May or early June.

**Australian Foreign Exchange Committee  
February 2022**