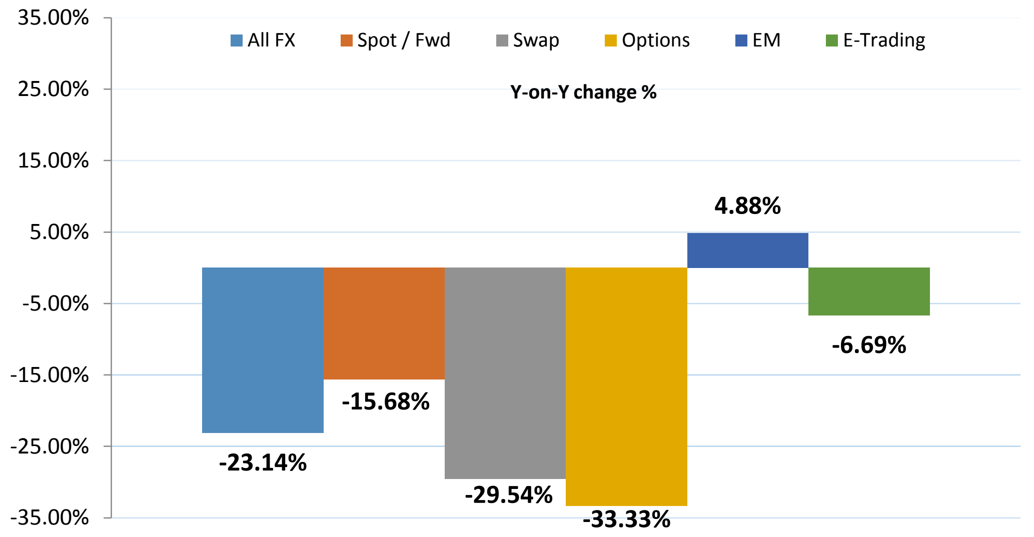
Euromoney FX Survey 2016 Insights

Global headline volume

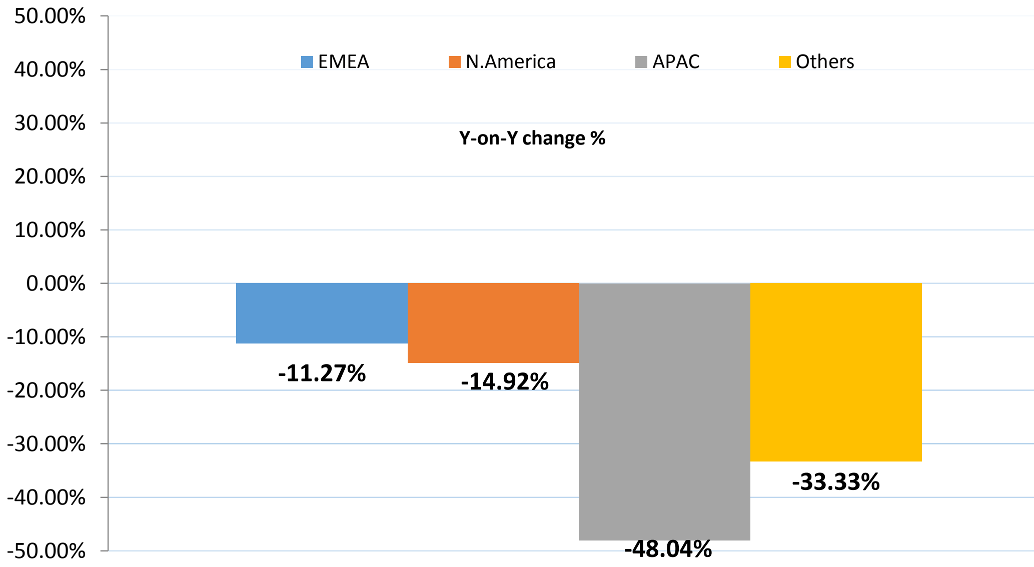
- Global volumes fell 23% year on year, EM bucked the trend showing 5% growth year on year
- Swaps activity declined at twice the rate of spot
- Electronic volumes now 65% of the market

Year	All FX	Spot / Fwd	Swap	Options	EM	E-FX
2016 ($US Tn)	95	48.4	45.8	0.8	8.6	61.4
2015 ($US Tn)	123.6	57.4	65	1.2	8.2	65.8



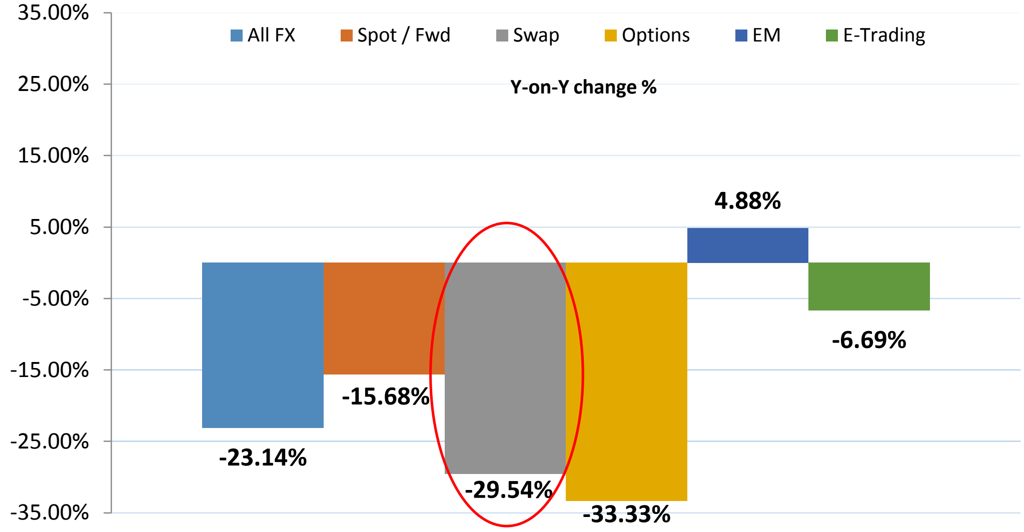
- EMEA continues to account for the majority of volumes – maintaining its circa 50% share
- APAC suffered extremely steep drops in volume as economic growth slowed sharply
- In the APAC region banks activity continues to drop as flows are increasingly internalised and proprietary trading is curtailed

Year	EMEA	N. America	APAC	Latam/Caribb
2016 ($US Tn)	48.8	26.8	18.6	0.8
2015 ($US Tn)	55	31.5	35.8	1.2



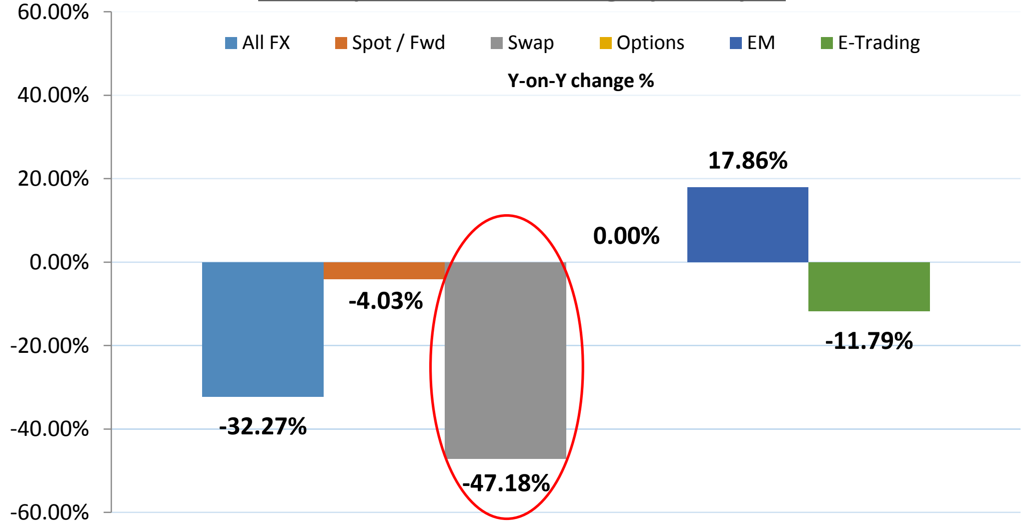
Positions are being held for shorter periods

- Global volume fell 23%, however swaps fell 29% versus 16% for spot
- As Euromoney counts the swap again each time it rolls this indicates that swap rolls are occurring less
- The driver for this seems to be banks applying greater credit charges to swaps pricing
- This is evidenced by swaps consumption falling most sharply for banks – the consumer group who would be most sensitive to credit charges being applied

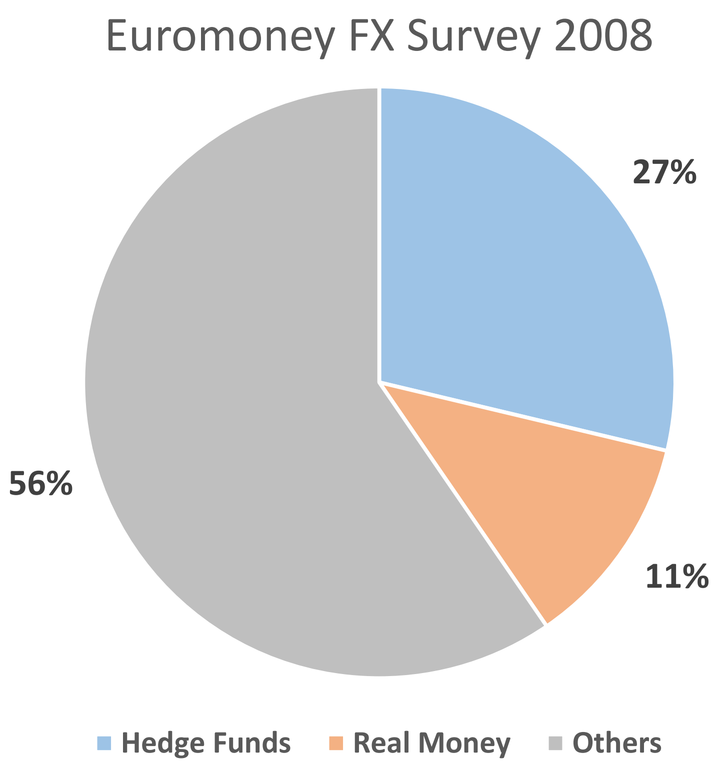


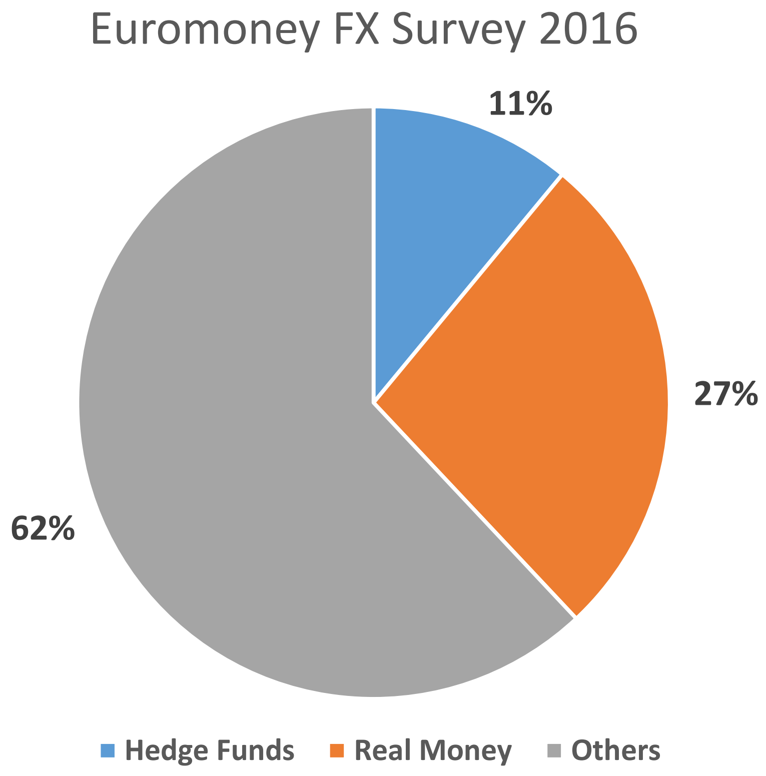
Global all respondents volume changes year on year

Bank respondents volume changes year on year



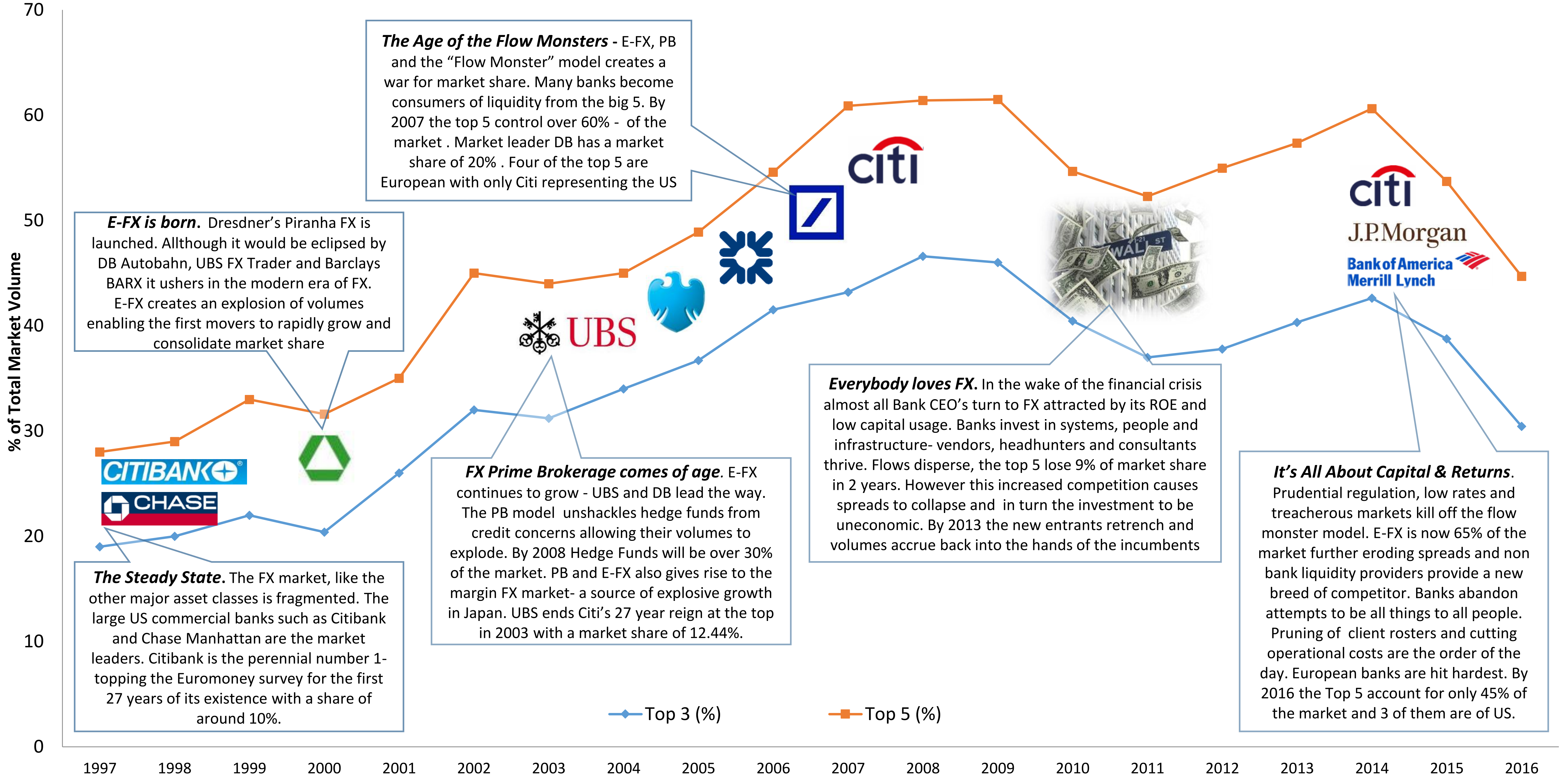
The rise of Real Money…..





- Real Money activity has grown steadily over the past decade – now accounting for 27% of the market
- Hedge Fund activity in the FX markets continue to shrink- now accounting for only 11% of the market
- Since 2008 the relative activities of the hedge funds and real money have mirrored each other

Volume concentration amongst the largest FX banks – a modern history of FX



Additional information or further analysis on results?

For more information, please contact:

Mark Lilley

Head of Data Publishing
Capital Markets Group
Euromoney Trading Ltd.

Tel: +44 (0)207 779 8820
mark.lilley@euromoneyplc.com