

CANADIAN FOREIGN EXCHANGE COMMITTEE

Report on Activities

2008

Canadian Foreign Exchange Committee

Report on Activities

2008

The Canadian Foreign Exchange Committee (CFEC) is 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 (see membership list on page 7). 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. It also serves as a channel of communication between the foreign exchange market in Canada and other organizations and official institutions, both within Canada and abroad.¹

Market Developments and Policy Issues

The following presentations on developments in the foreign exchange market were given in 2008:

- 12 February: “The changing nature of foreign exchange trading for retail customers” (Michael Stumm, CEO of Oanda Corporation, an internet-based provider of foreign exchange services to the retail market).
 - Continuous trading platform availability and fully automated end-to-end processing supports efficient execution and instant confirmation and settlement. Participants noted that margins have been reduced significantly in the retail sector as electronic trading has grown. Although the average ticket size is small, retail foreign exchange is a large and rapidly growing segment of the foreign exchange market (estimated at about 10% of the global foreign exchange spot market).

- 22 May: “Foreign exchange strategies of large institutional investors” (Andrew Spence, Ontario Teachers’ Pension Plan and Ed Cass, CPP Investment Board). Presentations were given on the management of foreign exchange risk.

The CFEC meetings often include discussions of economic developments and other topics with the senior representatives of the foreign exchange market. Carolyn Wilkins, Deputy Chief of the Financial Markets Department of the Bank of Canada,

¹The full document of Objectives and Organization, which was originally developed by the Committee in 1990, and was most recently revised in May 2003, can be found on pages 9-10.

spoke about the central bank and public sector response to the recent turmoil in financial markets. Her presentation included the extraordinary provision of term liquidity related to term purchase and resale agreements (PRAs), the introduction of new facilities for the provision of term liquidity, the Bank of Canada's monetary policy response, and the actions of the Government of Canada (the acquisition of insured mortgage pools from Canadian lenders via loans to the Canada Mortgage and Housing Corporation and the Canadian Lenders Assurance Facility).

The May meeting was hosted by BMO Capital Markets and their Senior Economist, Michael Gregory, spoke about the U.S. dollar and other currencies.

The December meeting was hosted by the Bank of Canada in Ottawa where CFEC members met the central bank's new Governor, Mark Carney, and exchanged views on the foreign exchange market and the impact of the financial market turmoil. In addition, foreign exchange settlement risk and CLS Bank were discussed in light of the developments associated with the Lehman unwind. Renewed interest in the possibility of having a same day settlement cycle in CLS Bank for same day value Canadian/U.S. dollar transactions was expressed and a follow-up discussion is planned in 2009.

Liaison with Other Foreign Exchange Committees

The CFEC continued to participate in efforts to strengthen relations amongst the various foreign exchange committees globally. In April, representatives of the CFEC (George Pickering, Moti Jungreis and Rob Ogrodnick) attended the second global meeting of foreign exchange committees (the first meeting was held 18 months earlier). This meeting was hosted by the Bank of England and there were representatives from eight foreign exchange committees in attendance (New York, London, ECB, Tokyo, Singapore, Hong Kong, Australia and Canada).

The intent of these meetings is threefold: to improve communication and collaboration amongst the committees; to discuss committee initiatives and projects; and to exchange perspectives on developments and trends in the global foreign exchange market. At the April meeting the following topics were included: market conditions since August 2007 (when the recent financial market turmoil began), foreign exchange settlement, developments in the foreign exchange volume surveys, and algorithmic trading and retail foreign exchange activity.

Canadian Committee for Professionalism

The Canadian Committee for Professionalism (CCFP), which is sponsored jointly by the CFEC and the Financial Markets Association of Canada (FMAC), was inaugurated in 1993. This independent Committee reports regularly to the CFEC, and its guiding

mission is to promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange market. The Document of Organization for the CCFP, which can be found on pages 11-12 of this Report, was last updated in January 2007. A list of the members can be found on page 8.

Another objective of the CCFP is to arbitrate disputes, upon request, between two or more counterparties. While it is only on rare occasions that the CCFP has received any formal request for arbitration, the Committee has provided advice and direction on issues related to best market practices.

After a new holiday – Family Day – was declared by the Province of Ontario and was to take place for the first time on February 18, 2008, a number of market participants received calls from counterparties in the Canadian foreign exchange and money markets as well as from international banks on how settlement would work in the money and foreign exchange markets in Canada on that day. A protocol was developed to clarify Canadian dollar settlements on the new Ontario holiday, and a letter, signed by the chairs of the CFEC, CCFP, OMWG and FMAC, outlining the protocol has been appended to this report.

In 2006, the New York Chief Dealers Group, a working group of the Foreign Exchange Committee, proposed that a representative from the Canadian foreign exchange community sit on their group. Ed Monaghan from RBC Capital Markets is currently fulfilling that role.

ACI Model Code

In 2001 the CFEC, along with the CCFP and the FMAC, adopted the *ACI Model Code* as the standard for best market practices in the Canadian foreign exchange market. The Model Code was first published in the year 2000 by ACI - The Financial Markets Association, the global umbrella organization of foreign exchange associations. It combined the recommendations for six pre-existing codes of conduct (those of New York, London, France, Singapore, Tokyo and the original ACI Code). The Code is kept current through updates that result from the regular review of the Code by the ACI Committee for Professionalism, a committee that includes Canadian representation (currently Lynn Kennedy, from BMO Capital Markets, who is also on the CCFP). A link to the latest version of the *ACI Model Code* can be found at the CFEC website (www.cfec.ca) under Announcements.

Operations Managers Working Group

The Operations Managers Working Group (OMWG) was established in 2003. The purpose of this group is to focus on operational issues such as delivery or settlement

problems, confirmation procedures and best practices, business continuity planning, SWIFT messaging issues, straight through processing and electronic confirmations etc. A list of the members can be found on page 8.

In 2004, the Canadian OMWG endorsed two best practices documents that are published by the New York Foreign Exchange Committee. The first publication, *Management of Operational Risk in Foreign Exchange*, recommends 60 best practices for financial institutions to use as a resource or checklist for when they regularly evaluate their policies and procedures to manage operational risk. The second publication, *Recommendations for Nondealer Participants*, is a condensed version of the 60 best practices that is geared towards nondealer participants who, while perhaps not as active in foreign exchange, could benefit from the recommendations. A link to these documents can be found on the CFEC website (www.cfec.ca) under Announcements. Two members of the Canadian OMWG participate in the meetings of the New York OMWG.

In October, Rob Ogrodnick participated on a panel at the global operations managers conference that was hosted by the Bank of Japan and the Tokyo Foreign Exchange Market Committee. A panel of representatives from the global foreign exchange committees discussed the activities of their committees. Other panels discussed business continuity planning, trading platforms, and the Tokyo and Asian currency markets.

Market Statistics

2010 Triennial Survey

Preliminary work has already begun on the next triennial central bank survey of foreign exchange and derivatives market activity that will be conducted during the month of April 2010 for turnover data and as of June 30, 2010 for amounts outstanding. Comments have been sent to the Bank for International Settlements (BIS) in response to their questions as they undertake a post mortem and re-assessment of the previous survey.

Regular Derivatives Market Statistics

Statistics on derivatives markets from approximately 60 major global dealers in the Group of 10 (G10) countries are collected regularly. Three Canadian financial institutions are participating in this reporting, and consolidated amounts outstanding were collected for the first time as of 30 June 1998 and have been collected every six months thereafter. The data collected covers foreign exchange, interest rate, equity and commodity derivatives, and credit default swaps. The BIS issues a press release with the aggregated global summary results of this survey after each reporting date.

CFEC Semi-annual Foreign Exchange Volume Survey

A semi-annual survey (April and October) is conducted to track foreign exchange volumes for US\$/CAN as well as other currency pairs. It includes a table on the method of execution for foreign exchange trades, and counterparty definitions similar to those in the BIS triennial survey. In general, the new report is similar in nature to, but not directly comparable with, the triennial survey. It includes only the larger participants in the Canadian foreign exchange market whose volume accounts for most of the market. A number of other jurisdictions, including New York, London, Tokyo, Singapore and Australia, have adopted similar surveys. The Canadian semi-annual data are made available on the CFEC's website (www.cfec.ca) a few months after the survey. It is jointly released with several other countries. The October 2008 data have been appended to this Report.

IFXCO, IFEMA and ICOM Master Agreements

The CFEC has, in conjunction with the Foreign Exchange Committee of New York, the British Bankers' Association and the Tokyo Foreign Exchange Market Practices Committee, sponsored work on three Master Agreements: the International Foreign Exchange Master Agreement (IFEMA), the International Currency Options Market Master Agreement (ICOM), and the International Foreign Exchange and Options Master Agreement (FEOMA). In 1997, the CFEC, along with the above-noted committees, obtained legal opinions as to the enforceability and validity of the netting provisions of the updated IFEMA, ICOM and FEOMA Master Agreements in various jurisdictions including Canada. In 2004, the CFEC agreed to co-sponsor an updated master agreement known as the International Foreign Exchange and Currency Option (IFXCO) Master Agreement. IFXCO is based on the 1997 FEOMA agreement. Like FEOMA, IFXCO covers spot and forward foreign exchange transactions and currency options. An update on the legal opinion is obtained each year.

Organization and Membership

The CFEC issues this Report on an annual basis to inform financial institutions that are active in the foreign exchange market about the Committee's activities and membership. Over the course of the year, updates on the activities of the Committee can be found on the CFEC's website (www.cfec.ca) under the links to either the Announcements of the Committee or the Minutes of meetings. The website also contains an up-to-date membership list, information on foreign exchange volumes and rates, articles of interest to the foreign exchange community and links to the websites of other foreign exchange committees and organizations.

There have been a number of membership changes on the Committee. At the end of 2008, Donna Howard replaced George Pickering as the Chair of the CFEC. As well, Harry Culham from CIBC World Markets has replaced Craig Ellis, Ed Monaghan has replaced Harry Samuel as the representative from RBC Capital Markets, and John Nixon from ICAP North America has replaced Tim Miles. Finally, Sharon Grewal from CIBC World Markets has stepped down as Chair of the CCFP. This position will now be filled by Mark Johnson from RBC Capital Markets.

The contributions of all the members on the CFEC and its subcommittees and working groups are greatly appreciated, as are the contributions of those who have left the Committee over the past year.

Donna Howard
Chair
Canadian Foreign Exchange Committee
2008 Report on Activities

**Canadian Foreign Exchange Committee
Membership, January 2009**

Donna Howard, Chief – Financial Markets Department (Chair)
Bank of Canada, Ottawa

Harry Culham, Managing Director, Head of Fixed Income, Currencies & Distribution
CIBC World Markets, Toronto

Jeff Feig, Managing Director
Citigroup, New York

Mark Johnson, Managing Director (Chair, CCFP, an ex officio post)
RBC Capital Markets, Toronto

Moti Jungreis, Managing Director & Global Head of Foreign Exchange
TD Securities, London

Russell Lascala, Managing Director & Chief Dealer
Deutsche Bank, New York

Clifton Lee-Sing, Acting Chief
Department of Finance, Ottawa

Jack Linker, Director
Reuters America, New York

Brad Meredith, Executive Vice President
HSBC Bank Canada, Toronto

Ed Monaghan, Global Head of Foreign Exchange
RBC Capital Markets, London

John Nixon, Executive Director
ICAP North America, Jersey City

Richard Poirier, Managing Director
National Bank of Canada, Montreal

Evan Steed, Vice President and Director (President, FMAC, an ex officio post)
TD Securities, Toronto

Jamie Thorsen, Executive Managing Director
BMO Capital Markets, Chicago

Barry Wainstein, Vice Chairman
The Bank of Nova Scotia, Toronto

John Walks, Senior Managing Director
State Street Global Markets Canada, Toronto

Rob Ogrodnick, Senior Analyst (Secretary)
Bank of Canada, Toronto

Other Committee Members January 2009

Canadian Committee for Professionalism (CCFP)

Mark Johnson (Chair)	RBC Capital Markets
Joe Barbaro	Thomson Reuters (Canada)
Chris Benham	CIBC World Markets
Lynn Kennedy	BMO Capital Markets
Steve Kent	TD Securities
Brendan Luxton	Bank of Nova Scotia
Brad Meredith	HSBC Bank Canada
Tim Miles	ICAP Capital Markets Canada
Rob Ogrodnick	Bank of Canada
Carmen Perricone	State Street Canada
Richard Poirier	National Bank of Canada
Evan Steed	President, FMAC

Operations Managers Working Group (OMWG)

Andy Sittambalam (Chair)	Scotiabank
Bebi Ali	HSBC Bank Canada
Becky Alush	CIBC World Markets
Laura Coward	Bank of Montreal
Nathalie Desautels	National Bank
Sam Jeries	TD Securities
Jean Napthine	RBC Capital Markets
Catherine Paquin	Laurentian Bank
Michael Rober	State Street Bank & Trust Co.
Rob Ogrodnick (Secretary)	Bank of Canada

Membership Subcommittee

Donna Howard (Chair)	Bank of Canada
Brad Meredith	HSBC Bank Canada
Jamie Thorsen	BMO Capital Markets
Barry Wainstein	Bank of Nova Scotia

CANADIAN FOREIGN EXCHANGE COMMITTEE

Document of Objectives and Organization

May 2003

I. Objectives

The objectives of the Committee are:

- to provide a forum for the regular exchange of views on foreign exchange market developments;
- to identify, analyse and comment on issues pertinent to the foreign exchange market;
- to review procedures, practices, and technical issues on the foreign exchange and related financial markets;
- to provide a channel for communication between the foreign exchange market in Canada and organizations and official institutions within Canada and abroad; and,
- to promote, to the community at large, the activities, decisions and views of the Committee, as representative of the Canadian foreign exchange market generally;

II. Organization

1. The Committee is comprised of senior officers of institutions actively participating in the Canadian foreign exchange market and the Canadian dollar market globally.
2. The composition of the Committee is to reflect the interests of the major Canadian dollar market-making institutions in Canada and such other interests of the foreign exchange community as the standing Membership Subcommittee (as described below) believes will contribute positively to the ongoing work of the Committee. It shall include one representative each from the inter-dealer voice and electronic broking communities, the Department of Finance and the Bank of Canada. The Committee may also include up to two non-resident representatives from major Canadian dollar market-making institutions based outside of Canada.
3. The President of the Financial Markets Association of Canada and the Chairperson of the Canadian Committee for Professionalism, if they are not already members in their own right, are to be non-voting, ex-officio members.

4. An officer of the Bank of Canada will serve as Secretary to the Committee.
5. The Committee will not exceed 16 voting members, excluding the Secretary. A quorum is two-thirds of voting members. Members each have one vote. The Chair votes only in the case of a tie. Members appoint substitutes, from their own organizations, to attend on their behalf on an exceptional basis. Substitutes are to be considered possible candidates for future membership.
6. Initially, one third of the members will serve a term of three years, one third for a term of two years, and a final third for one year. Thereafter, each member will normally serve for a term of three years, although membership will remain, at all times, at the pleasure of the Committee. For consistency, all terms will be deemed to end on April 30.
7. Members serve on the Committee as individuals, to reflect the broader interests of the foreign exchange market, rather than that of the firm which employs them.
8. The Chair of the Committee is elected by and from the current members of the Committee, for a term determined by the Committee. The standing Membership Subcommittee (see below) recommends appropriate candidates for this position.
9. The Committee meets three times each year, or more frequently, as required. At each meeting, the date and location of the next meeting are decided by those present.
10. A standing Membership Subcommittee, consisting of a Chairperson, who is the member from the Bank of Canada, and three other members, as determined by the full Committee, identifies and proposes individuals for membership, based on their personal stature, breadth of experience and anticipated ability to contribute to the work of the Committee. The three other member positions serve a term of three years, with each one expiring in a different year on April 30.
11. The Committee may form ad hoc subcommittees, chaired by any of its members, to study specific issues. Outside participants may be invited to serve on such subcommittees.
12. The Committee will issue an Annual Report of its Activities, to be sent to all financial institutions in Canada known to be active in the foreign exchange market, informing them of the Committee's activities and membership.
13. The Secretary prepares and circulates a notice and the minutes of each meeting to all members and their substitutes.

CANADIAN COMMITTEE FOR PROFESSIONALISM
Document of Organization
January 2007

The Canadian Foreign Exchange Committee (CFEC) and the Financial Markets Association of Canada (FMAC) are joint sponsors of an independent Canadian Committee for Professionalism (CCFP), formed in 1993.

Mission Statement:

To promote a high standard of professionalism and ethical conduct in the Canadian foreign exchange markets.

Objectives:

1. To *advocate* the continuing improvement of market practices to enhance the self-regulatory nature of the foreign exchange markets in Canada.
2. To provide *educational* vehicles which foster the understanding of the foreign exchange markets and related financial markets, in practice and theory.
3. To *arbitrate* disputes, upon request, between two or more members of the community or the institutions they represent.
4. To *communicate* with foreign exchange market professionals, and related trade associations, on matters relating to market practices and ethical conduct.

Committee Members:

The Committee is composed of a maximum of thirteen individuals who will be invited to join the CCFP at the request of the CFEC and FMAC, for a term of two years, with half the sitting Committee being present making a quorum, as follows:

1. The Chairperson of the CFEC or his/her designate.
2. The President of FMAC or his/her designate.
3. One member representing each of the major Canadian dollar market-making institutions in Canada.

4. One representative each from the Montreal foreign exchange community, the inter-dealer voice broker association, the inter-dealer electronic broking community, the foreign bank sector and the Bank of Canada.

Each individual on the Committee may satisfy one or more of the above requirements. A minimum of two members on the Committee should also be sitting members on the CFEC. All the members should have a broad knowledge of the foreign exchange markets in Canada, sufficient stature in the community to engender respect, and an anticipated ability to contribute to the work of the Committee. Traditionally the past President of FMAC has been asked to chair the Committee. If that is not possible, the Committee will select a Chairperson from its membership.

Committee Procedures:

1. The Committee will meet at the Chair's request. The format of the meeting will be informal, and the Committee will report to the CFEC on a regular basis. Any recommendation or issue paper prepared by the Committee will be presented for discussion at the CFEC before distribution and public disclosure.
2. The Committee will use FMAC as a vehicle to distribute information to the market.

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

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

February 13, 2008

Dear Foreign Exchange Market Participant,

Re: Canadian Dollar Settlements and the New Ontario Holiday “Family Day” February 18th

The Provincial Government of Ontario recently declared a new holiday – Family Day – that will take place for the first time on February 18, 2008. Many of the banks in Canada have trading rooms and head office locations in Ontario and as such there have been many inquiries as to whether February 18th is a valid Canadian dollar settlement date for FX and Money Market transactions.

This new holiday is a Provincial holiday, not a Federal holiday. The Bank of Canada and payment systems in Canada will be open. However, the chartered banks’ branch networks in Ontario, Manitoba, Saskatchewan and Alberta will be closed. Therefore, payments to branch bank accounts in these provinces will be for next day value (i.e. February 19).

February 18th is President’s Day in the United States and as such it is not a standard settlement date for USD/CAD trades. However, Currency versus CAD trades can be settled as long as the payment systems in both countries are open.

While most banks participating in the Canadian dollar FX and Money Markets confirmed they are able to make payments as usual on February 18th, we recommend that market participants confirm with counterparties if they are able to settle on February 18th for any new or existing trades.

Sincerely,

George Pickering
Chair, Canadian Foreign Exchange Committee

Andy Sittambalam
Chair, Operations Managers Working Group

Sharon Grewal
Chair, Canadian Committee for Professionalism

Evan Steed
President, Financial Markets Association of Canada

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: rogridnick@bankofcanada.ca

CFEC Releases Results of October 2008 Foreign Exchange Volume Survey

January 27, 2009 - The Canadian Foreign Exchange Committee (CFEC) released today the results of its October 2008 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.²

The summary highlights of the October 2008 survey include the following:

- The monthly turnover in October of traditional foreign exchange products (defined as spot transactions, outright forwards and foreign exchange swaps) totaled US\$ 1.46 trillion. On an average daily basis, total turnover increased by 4.4% from US\$ 63.6 billion in April 2008 to US\$ 66.4 billion in October.
- For the month of October, spot and outright forward volumes rose by 7% and 68% respectively compared with the month of April 2008. However, monthly foreign exchange swap turnover declined by over 4% from April to October 2008.
- Compared with the survey one year ago, on an annual basis the average daily turnover of traditional foreign exchange products was only slightly higher (1.5%), at US\$ 66.4 billion in October 2008 versus US\$ 65.4 billion in October 2007.
- The average daily turnover of foreign exchange derivatives (currency swaps and options) totaled US\$ 2.7 billion, unchanged on an average daily basis from the survey six months ago. However, looking at individual products, currency swaps fell over 9% from April to October whereas options rose by over 9%.

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

² 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 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). 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.sfemc.org/statistics.asp>

http://www.rba.gov.au/AFXC/Statistics/FXTurnoverReports/2008/Oct_2008/index.html

The Canadian Foreign Exchange Committee
Semi-annual Foreign Exchange Volume Survey
October, 2008

Summary Tables

January 27, 2009

Table of Contents

Summary turnover data for October, 2008

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

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

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		
	Apr-08	Oct-08	Per cent growth	Apr-08	Oct-08	Per cent growth	Apr-08	Oct-08	Per cent growth	Apr-08	Oct-08	Per cent growth	Apr-08	Oct-08	Per cent growth
Spot	221,017	241,033	9	124,707	124,611	0	16,118	15,730	-2	13,109	20,498	56	374,951	401,871	7
Reporting dealers	73131	40519	-45	1,175	5,918	404	77	644	736	93	693	648	74,476	47,773	-36
Other dealers	96,057	123,514	29	98,573	95,487	-3	7,299	4,071	-44	11,141	18,771	68	213,070	241,844	14
Other financial	20,856	31,182	50	18,646	17,227	-8	4,822	7,509	56	1,284	527	-59	45,609	56,444	24
Non-financial customers	30,973	45,818	48	6,312	5,980	-5	3,920	3,506	-11	591	506	-14	41,795	55,810	34
Outright forwards	57,383	85,299	49	37,255	74,123	99	12,056	20,513	70	3,579	5,342	49	110,274	185,277	68
Reporting dealers	2,109	4,962	135	312	919	194	58	58	1	12	133	1057	2,491	6,072	144
Other dealers	11,554	12,386	7	19,749	35,422	79	2,013	1,210	-40	2,224	3,595	62	35,540	52,612	48
Other financial	23,720	44,433	87	14,413	18,117	26	8,259	16,781	103	1,132	1,414	25	47,523	80,745	70
Non-financial customers	20,001	23,519	18	2,781	19,666	607	1,726	2,463	43	212	199	-6	24,720	45,847	85
FX swaps	670,335	588,574	-12	223,226	255,022	14	18,243	26,816	47	1,230	2,879	134	913,034	873,290	-4
Reporting dealers	73,118	84,744	16	3,870	14,290	269	226	1,766	682	102	10	-90	77,316	100,810	30
Other dealers	501,656	390,694	-22	186,285	195,357	5	2,976	7,333	146	610	1,262	107	691,528	594,647	-14
Other financial	62,008	76,983	24	26,066	36,424	40	10,709	14,902	39	389	213	-45	99,171	128,522	30
Non-financial customers	33,554	36,153	8	7,005	8,951	28	4,332	2,815	-35	129	1,393	980	45,019	49,312	10
Total dealers	757,625	656,818	-13	309,966	347,391	12	12,649	15,083	19	14,180	24,465	73	1,094,420	1,043,758	-5
Reporting	148,358	130,224	-12	5,358	21,126	294	361	2,469	584	206	836	307	154,283	154,655	0
Other	609,266	526,594	-14	304,608	326,265	7	12,288	12,615	3	13,974	23,628	69	940,137	889,103	-5
Total customers	191,111	258,087	35	75,222	106,365	41	33,768	47,975	42	3,737	4,253	14	303,838	416,680	37
Financial	106,584	152,598	43	59,124	71,768	21	23,790	39,191	65	2,805	2,155	-23	192,303	265,711	38
Non-financial	84,527	105,490	25	16,098	34,597	115	9,978	8,784	-12	932	2,098	125	111,535	150,969	35
Total turnover	948,735	914,906	-4	385,188	453,756	18	46,417	63,058	36	17,918	28,718	60	1,398,258	1,460,438	4
<i>Currency swaps</i>	17,231	17,193	0	7,098	3,204	-55	863	807	-6	42	139	235	23,329	21,119	-9
<i>OTC options</i>	28,526	27,953	-2	7,081	13,047	84	1,852	872	-53	168	587	250	35,550	38,984	10

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							
							Dealers				Customers			
	Spot		Outright forwards		Foreign exchange swaps		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)

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

Currency	October 2005	April 2006	October 2006	April 2007	October 2007	April 2008	October 2008
U.S. dollar	96.1	95.6	95.7	94.8	95.4	95.4	93.7
Canadian dollar	59.5	59.9	63.9	63.4	72.0	71.2	67.0
Euro	14.0	11.9	11.6	12.2	9.8	10.8	11.8
U.K. pound	5.8	5.9	6.3	7.2	6.1	5.0	5.0
Japanese yen	7.8	6.8	5.3	5.8	4.3	4.3	5.4
Australian dollar	3.6	5.3	5.7	3.6	2.6	2.8	2.0
Swiss franc	5.8	2.8	1.7	2.9	1.5	1.6	1.1
Other currencies	7.4	11.9	9.9	10.1	8.4	9.0	14.0
All currencies[1]	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^a
Millions of U.S. dollars

Instrument	October-05		April-06		October-06		April-07		October-07		April-08		October-08	
	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share	Amount	% share
Outright forwards														
Up to 1 month	42,527	69.1	45,619	70.0	49,262	75.9	39,657	50.7	44,800	49.7	45,817	40.6	80,421	42.0
1 month to 1 year	17,230	28.0	16,243	24.9	13,428	20.7	36,874	47.1	41,595	46.1	61,957	54.9	104,077	54.4
More than 1 year	1,755	2.9	3,303	5.1	2,201	3.4	1,684	2.2	3,785	4.2	4,991	4.4	6,852	3.6
Total	61,512	100.0	65,165	100.0	64,891	100.0	78,215	100.0	90,179	100.0	112,764	100.0	191,349	100.0
Foreign exchange swaps														
Up to 1 month	619,313	81.5	662,480	86.0	686,896	85.9	670,283	81.8	872,910	79.7	789,189	79.7	736,124	75.6
1 month to 1 year	133,479	17.6	101,078	13.1	107,722	13.5	143,605	17.5	214,868	19.6	192,035	19.4	229,050	23.5
More than 1 year	6,666	0.9	7,062	0.9	4,687	0.6	6,017	0.7	7,562	0.7	9,125	0.9	8,926	0.9
Total	759,458	100.0	770,620	100.0	799,304	100.0	819,906	100.0	1,095,341	100.0	990,350	100.0	974,100	100.0
OTC options														
Up to 1 month	30,165	52.4	12,351	42.4	13,630	43.1	20,336	46.4	29,176	54.3	18,561	41.3	13,524	28.5
1 month to 6 months	18,777	32.6	12,597	43.2	15,128	47.9	19,960	45.6	18,586	34.6	17,692	39.4	21,230	44.7
Over 6 months	8,647	15.0	4,211	14.4	2,851	9.0	3,507	8.0	6,011	11.2	8,664	19.3	12,741	26.8
Total	57,589	100.0	29,160	100.0	31,609	100.0	43,803	100.0	53,773	100.0	44,917	100.0	47,495	100.0

a. Not adjusted for local double counting.

Table 7: Execution methods
Percent shares
October 2008

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	
By Currency Pair:							
Canadian Dollar against							
USD	37	26	12	21	1	3	100
Other	23	5	0	56	2	14	100
U.S. Dollar against							
EUR	32	36	10	17	1	4	100
JPY	38	28	16	14	1	4	100
GBP	30	34	8	23	1	3	100
Total Currency Pairs	35	27	11	22	1	4	100

By Instrument:							
Spot	22	41	9	23	3	2	100
Outright forwards	24	8	1	56	2	10	100
Foreign exchange swaps	44	24	15	14	0	3	100
Cross currency swaps	40	7	15	38	0	0	100
Options	32	39	2	27	0	0	100
Total Instruments	35	27	11	22	1	4	100

By Counterparty:							
With reporting dealers	58	32	10	0	0	0	100
With other dealers	44	38	17	0	1	1	100
With other financial institutions	0	0	0	79	2	19	100
With non-financial customers	0	0	0	93	5	2	100
Total Counterparties	35	27	11	22	1	4	100