



Minutes of the Foreign Exchange Committee

Meeting, February 12, 2014

Host: Blackrock

ADNAN AKANT	Fischer Francis Trees & Watts
CHRISTOPHER BAE	Bank of America Merrill Lynch
ROBERT BOGUCKI	Barclays
ROBERT CATALANELLO	Credit Agricole
PETER CONNOLLY	Wells Fargo
JOSE LUIS DAZA	QFR Capital Management
DANIEL GLEIZER	Banco Itau BBA
MOHAMMED GRIMEH	Standard Chartered
HARI HARIHARAN	NWI
MOTI JUNGREIS	TD Bank
TAHREEM KAMPTON	Microsoft
REBECCA PATTERSON	Bessemer
DAVID PUTH	CLS
PAUL RICHARDS	UBS
TROY ROHRBAUGH	JP Morgan Chase
DANIEL SILBER	HSBC
KOICHI TAKENAKA	Mizuho
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters
SARA ZERVOS	Oppenheimer
MANDY LAM	Global Financial Markets Association

Federal Reserve Bank of New York Attendees

CHRISTINA GETZ
LORIE LOGAN
ANNA NORDSTROM
JAMIE PFEIFER
JOY ZHU
MICHAEL NELSON, Counsel



The FXC Chair noted at the start of the meeting that he had been contacted since the last meeting by several other private sector members regarding press inquiries they had received in relation to the Committee. The Chair noted to the Committee that official Committee statements should come from the Chair and/or the Committee website, noting that private sector members should feel free to comment in their individual or firm capacities, pursuant to their firm's own guidelines.

1. Global Financial Markets Association presentation on OTC FX options clearing analysis

The Chair welcomed guest speaker Mandy Lam from the Global FX Division of the Global Financial Markets Association (GFMA) for this portion of the meeting. Ms. Lam provided an overview of the [GFMA's FX options clearing project](#). She highlighted that the purpose of the project was to quantify the potential scale of the same-day liquidity challenge associated with the clearing and settlement of over-the-counter FX options. Further, she remarked that the results of the analysis could inform how central clearing counterparties (CCPs) develop resilient clearing models for physically-settled OTC FX options. In the ensuing discussion, private sector members commented on the presentation and considered the potential implications of GFMA's findings for FX market functioning.

2. Discussion of the October 2013 FXC Survey of North American Foreign Exchange Volume

The Secretary provided a brief summary of the [FX volume survey results](#), based upon the press release published on January 28, 2014. She noted that average daily volume declined compared to the prior survey, though was modestly higher year-over-year. Private sector members discussed the survey and trends in FX volume.

3. Review of FXC best practice documentation

Jamie Pfeifer circulated a list of the current range of FXC best practice documentation. She encouraged private sector members to review the documents and prepare for future discussions around those materials. Members were asked to volunteer to present more detailed overviews of those materials at subsequent meetings this year.

4. Market discussion

Private sector members discussed relevant themes in the FX market. Some private sector members noted trends in volume across FX and fixed income markets at the beginning of the year. Such members also discussed weaker-than-expected global economic data and reflected on the potential impact of weather on the data. Additionally, private sector members noted many developments in emerging markets, including policy announcements by the Central Bank of Turkey and the South African Reserve Bank. Such members also discussed developments in China, including weaker-than-expected Chinese economic data and the restructuring of a Chinese trust product.

5. Other Business

The next meeting for the FXC is scheduled for Wednesday, March 26th at 4:00 PM and will be hosted by HSBC.