



Minutes of the Foreign Exchange Committee Meeting

Meeting, September 19, 2014

Host: Wells Fargo

FXC Attendees:

ADNAN AKANT	Fischer Francis Trees & Watts
CHRISTOPHER BAE	Bank of America Merrill Lynch
ANTHONY BISEGNA	State Street
PETER CONNOLLY	Wells Fargo
JOSE LUIS DAZA	QFR Capital Management
MOHAMMED GRIMEH	Standard Chartered
MOTI JUNGREIS	TD Bank
TAHREEM KAMPTON	Microsoft
RUSSELL LASCALA	Deutsche Bank
GIL MANDELZIS	EBS
SENAD PRUSAC	Morgan Stanley
DAVID PUTH	CLS
TROY ROHRBAUGH	JP Morgan Chase
KOICHI TAKENAKA	Mizuho
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters

Federal Reserve Bank of New York Attendees:

CHRISTINA GETZ
JAMIE PFEIFER
SIMON POTTER
MICHAEL NELSON, Counsel



1. High level best practices update

The FXC Secretary discussed the status of the Committee's work to review FXC best practices documentation as well as the plan for the Committee's longer-term effort to update and consolidate the best practices documents. Members discussed the importance of considering the outcome of international work in the FX market during the FXC best practices project, including the Bank of England's Fair and Effective Markets Review and the FSB FX Benchmark Working Group. Jamie Pfeifer also updated the group on the work being carried out by the global FX committees to expand the existing [Global Preamble](#) with further guidance and high level principles.

2. Member update on Execution-to-Settlement Recommendations for Non-dealer Participants

FXC members, Adnan Akant and Chris Vogel, updated the Committee on the working group reviewing the [Execution-to-Settlement Recommendations for Non-dealer Participants](#). The working group, consisting of FXC and OMWG members, suggested potential changes to reflect relevant changes in the market and regulatory landscape. Such potential changes include adding language around new regulatory reporting requirements. The working group will continue to develop draft language with input from members of the Financial Markets Lawyers Group.

3. Member presentation on Prime Brokerage Product Overview and Best Practice Recommendations

The Committee discussed the [Prime Brokerage Product Overview and Best Practices Recommendations with the Committee](#). Private sector members noted certain areas of the FX market that have evolved since the document was first published. For example, they highlighted the significant increase in the use of electronic trading and reduction in voice trading as an important change in the execution landscape which should be considered when updating the document. In addition, they noted that this update should also consider the different risk management practices on various types of electronic execution venues.

4. Market Discussion

The FXC chair facilitated a discussion on market developments. He raised the topic of the outcome of the September FOMC meeting and the FOMC communications, particularly the upward revisions to the median Summary of Economic Projections or "dots." He also noted the diverging stances of monetary policy in the U.S. and Europe. Private sector members discussed broader financial market developments including the recently weaker-than-expected Chinese economic data and the impact of economic sanctions on Russia.

Private sector members discussed the increase in volatility in the FX market, noting that it was larger than the rise in volatility in other asset classes. There were mixed views as to whether the increase in volatility will be sustained going forward. Such members also discussed trends in price action in several currencies, highlighting the recent appreciation of the U.S. dollar. Private sector members also noted depreciation in the euro amid the ECB's policy recent actions as well as continued depreciation of the Japanese yen. Such members commented on the significant widening of the U.S. dollar-yen swap basis. Private sector members also discussed the outcome of the Scottish referendum and its impact on the British pound.



5. Other business

The Chair noted that the next FXC meeting is scheduled for November 5 at 4:00 PM and will be hosted by JP Morgan.