



## Minutes of the Foreign Exchange Committee

Meeting, March 6, 2013

Host: Barclays

ADNAN AKANT	Fischer Francis Trees & Watts
ZAR AMROLIA	Deutsche Bank AG
ANTHONY BISEGNA	State Street Corporation
ROBERT BOGUCKI	Barclays
TIM CARRINGTON	RBS
ROBERT CATALANELLO	Credit Agricole CIB
JOSE LUIS DAZA	QFR Capital Management
JEFF FEIG	Citigroup
DANIEL GLEIZER	Banco Itau BBA
MOHAMMED GRIMEH	Standard Chartered
MOTI JUNGREIS	TD Bank
TAHREEM KAMPTON	Microsoft
GIL MANDELZIS	EBS
DAVID PUTH	CLS
PAUL RICHARDS	UBS
TROY ROHRBAUGH	JP Morgan Chase
DAVID RUSATE	GE
DANIEL SILBER	HSBC
KOICHI TAKENAKA	Mizuho
JOHN TAYLOR	FX Concepts
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters

### **Federal Reserve Bank of New York Attendees**

MARCUS LEE  
LORIE LOGAN  
ANNA NORDSTROM  
JAMIE PFEIFER  
SIMON POTTER

MICHAEL NELSON, Counsel



## Welcome

The FXC Chair welcomed members and thanked Barclays for hosting the meeting.

## Update on Reference Rate Catalogue Exercise

Mohammed Grimeh provided an update on the FXC effort to catalogue the various reference rates used in the foreign exchange market. He noted that the catalogue requires further input to broaden the reference rates included and encouraged members to continue to provide feedback. He noted that the next step would be to list the various rates and describe how those rates are constructed and used. In addition, members were encouraged to review the IOSCO report on financial benchmarks as background.

## Dodd Frank Implementation and Potential Forum

The Committee discussed a proposal to host a forum with a broader set of buy side FX market participants on the implementation of the Dodd-Frank Act for the foreign exchange market. Members suggested that this would be a valuable event to share information about the rules and their application in the foreign exchange market across sell-side and buy-side FX market participants. Though some of the relevant Dodd-Frank rules have already been implemented, others have not. Members highlighted the May 1, 2013 and the July 1, 2013 implementation dates for external business conduct standards and swap documentation requirements, respectively.

Members expressed support and committed to providing speakers for this event. Additionally, firms were asked to provide the Secretary with a list of recommended attendees from the buy side community if relevant. The Committee agreed to move forward to organize such an event in April to help facilitate a smooth implementation for the Dodd-Frank Act in the foreign exchange market.

## CLS Update

David Puth provided an update on the CLS effort to implement a same-day-settlement session for U.S. dollar versus Canadian dollar transactions in an effort to apply payment-versus-payment settlement services, and the resultant settlement risk management, to a larger share of the FX market.

He also provided an update on CLS plans to conduct a settlement risk survey in April to help quantify the share of the market that is settled on a payment-versus-payment basis via CLS. This survey would be conducted during the same time period as the BIS triennial and various foreign exchange committee FX turnover surveys.

## Market Discussion

The Chair facilitated a discussion of recent market developments and conditions.

Members indicated that volumes in the foreign exchange market have remained robust since the start of the year.

Members highlighted a focus on developments in Japan. In particular, members noted the sustained move in the Japanese yen versus other currencies and expectations for changes in representation and aggressive accommodative monetary policy at the Bank of Japan. Some



suggested that while the non-Japanese investor community has been active in the recent price action, the Japanese investor community has not. They noted that participation by Japanese investors would be a key development to continue and, perhaps, accelerate the depreciation of the Japanese yen.

Members discussed economic developments in other regions including the United States, the United Kingdom, and Canada. In the U.S., focus was on recent public communications from the Federal Reserve and expectations for additional balance sheet expansion as well as continued uncertainty surrounding the U.S. fiscal situation. In the U.K and in Canada, focus was on perceived weakening economic conditions and the potential for policy action in those regions.

Members also noted attention to geopolitical developments in the Middle East though most suggested that this has not been a significant force driving financial market behavior.

### **Other Business**

The next meeting for the FXC is scheduled for Wednesday May 8th at **4:00 PM**, which will include members of the Operations Managers Working Group. Wells Fargo will be hosting.