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## PRESS RELEASE

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### **Triennial survey on the foreign exchange and derivatives markets: results for Belgium**

In April 2016, fifty-two central banks and monetary authorities, including the National Bank of Belgium, conducted the Triennial Survey on Foreign Exchange and Derivatives Market Activity. As in previous editions, the Bank for International Settlements (BIS)<sup>1</sup> coordinated the survey, which received input from more than 1,200 market participants.

As in the previous surveys, data were collected on turnover in the over-the-counter (OTC) foreign exchange market (spot transactions, outright forwards, FX swaps, currency swaps and currency options) and on the interest rate derivatives market (forward rate agreements, interest rate swaps and interest rate options).

The four most active Belgian financial institutions<sup>2</sup> contributed to the survey once again. Despite this small number of Belgian reporting dealers the survey is nevertheless representative, as it is estimated to cover well over 90% of the market turnover in Belgium.

Compared with the previous survey, the April 2016 results show a rebound in turnover for Belgium. Activity in the foreign exchange market has increased (+7 %) while activity in the interest rate derivatives market has nearly doubled (+93 %). Since worldwide turnover has declined by 5 % in the foreign exchange market and risen by 15 % in the interest rate derivatives market, Belgium's share has grown in both markets, increasing from 0.3 % in 2013 to 0.4 % for the foreign exchange market and from 0.3 % in 2013 to 0.6 % for the interest rate derivatives market.

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<sup>1</sup> The preliminary worldwide results are available on the BIS website ([www.bis.org/publ/rpfx16.htm](http://www.bis.org/publ/rpfx16.htm)).

<sup>2</sup> Belfius Bank, BNP Paribas Fortis, ING Belgium and KBC Bank.

## 1. FOREIGN EXCHANGE MARKET

### 1.1 GENERAL OVERVIEW

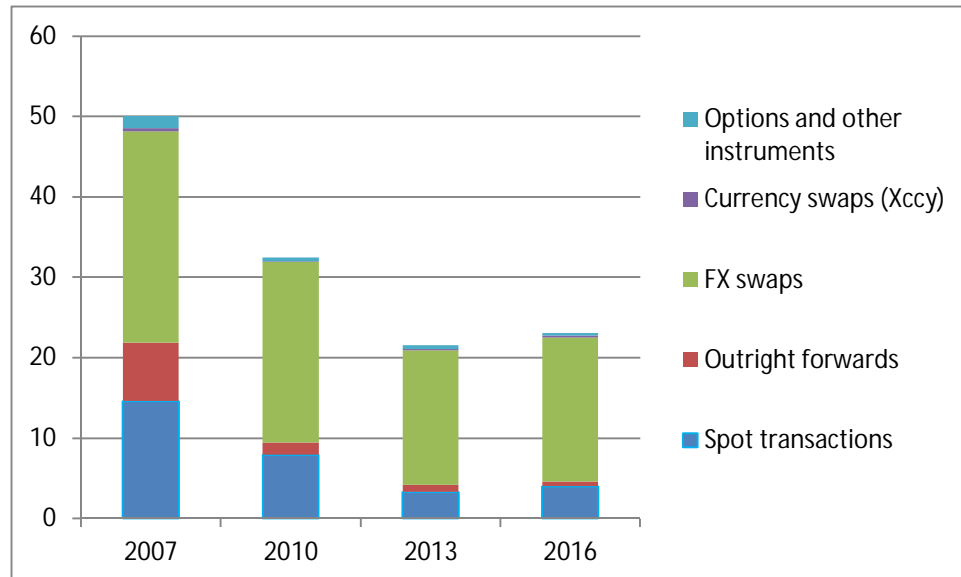


Chart 1: Average net daily turnover on the foreign exchange market (in billion USD)

In contrast with the slight downward trend in the foreign exchange market worldwide, due to USD exchange rate movements, the average net daily turnover in Belgium has edged upwards, from USD 21.6 billion in April 2013 to USD 23.0 billion<sup>3</sup> in April 2016. The increase in turnover essentially comes from FX-spot and FX-swaps transactions (see chart 1 above and table 1 in the annex).

As in 2013, the variation in foreign exchange market turnover worldwide is largely due to a change in trading activity with "other financial institutions" – a category that includes non-reporting banks, hedge funds, pension funds, mutual funds and insurance companies, among others. Contrary to 2013, activity between "reporting dealers" has risen while transactions with "other financial institutions" have declined further. This tendency is also reflected in the figures for Belgium where activity with "other financial institutions" is down (from 24 % in 2013 to 18 %), with the "reporting dealers" category benefiting the most from this drop (up from 72 % in 2013 to 78 %) (see table 2 in the annex).

<sup>3</sup> Taking into account that the EUR/USD has lost 13 % in value compared to April 2013, this represents an increase of roughly 22 % in EUR-equivalent volume.

## 1.2 CURRENCY DISTRIBUTION

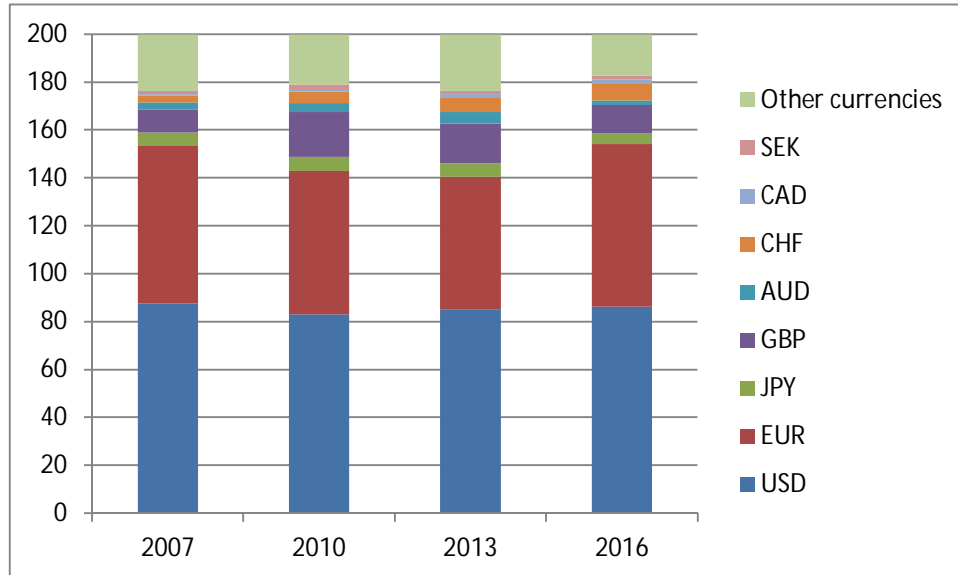


Chart 2: Currency distribution in foreign exchange market turnover  
(percentage shares of the average net daily turnover)

The relative weight<sup>4</sup> of the USD in Belgium remains broadly unchanged (86 % in 2016 compared to 85 % in 2013). The dollar therefore remains the most actively traded currency. Contrary to the global trend, the relative weight of the euro increased strongly in Belgium from 55 % in 2013 to 68 % in 2016<sup>5</sup> while the weight of the pound sterling declined further from 16 % to 12 % in 2016 (see chart 2 above and table 3 in the annex).

The item listed as "other currencies" (with a market share of 17 %, - 7 % compared to 2013) comprises, in particular, transactions in Scandinavian currencies (NOK, DKK), the Central Eastern EU countries' currencies (PLN, CZK, HUF, RON), Asian currencies (SGD, HKD) and the Russian rouble (RUB).

The EUR/USD combination is still by far the most widely traded currency pair at 54 % (+ 14 %). Cable (GBP/USD) also remains in 2016 the second most active currency pair despite a decline from 11 % to 7 %. USD/CHF becomes the third most important currency pair in Belgium at 6 %. EUR/GBP is down one place in fourth position at 4 %. Other important

<sup>4</sup> Since every foreign exchange transaction involves two currencies, the sum of the percentage shares of individual currencies totals 200 %. Worldwide, the USD's share rose from 87 % in 2013 to 88 % in 2016.

<sup>5</sup> Globally, the EUR's share was down from 33 % in 2013 to 31 % in 2016.

currency pairs include USD/JPY (4 %), USD/AUD (2 %) and EUR/CHF (1 %) (see table 4 in the annex).

## **2. INTEREST RATE DERIVATIVES MARKET**

### **2.1 GENERAL OVERVIEW**

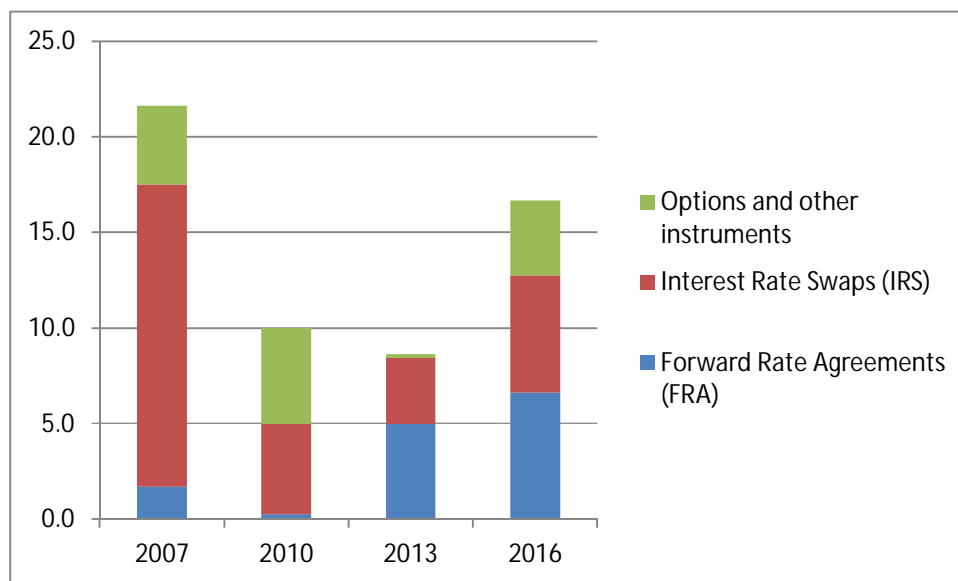


Chart 3: Net daily turnover of interest rate derivatives (in billion USD)

The net daily turnover in terms of single-currency interest rate derivatives in Belgium almost doubled in 2016, from USD 8.6 billion to USD 16.7 billion. The increase was especially strong in interest rate swaps and in interest rate options (up respectively from USD 3.4 billion to USD 6.1 billion and from USD 0.2 billion to USD 3.9 billion -see chart 3 above and table 5 in the annex). Activity in Forward Rate Agreements has also risen from USD 5.0 billion to USD 6.6 billion.

The share of turnover with "other financial institutions" has more than halved, from 67 % to 31 %, while the share of turnover with "reporting dealers" has rebounded strongly from 31 % to 59 % (see table 6 in the annex).

The expansion of forward rate agreements is mainly due to an increase in forward rate agreements denominated in EUR (from USD 4.9 billion to USD 5.8 billion) and a revival in USD and GBP (from zero to respectively USD 0.5 billion and USD 0.3 billion). The sharp increase in interest rate swaps is mainly driven by a spike in such swaps denominated in EUR

(from USD 3.0 billion to USD 5.2 billion) and in USD (from USD 0.3 billion to USD 0.6 billion) (see table 7 in the annex). The same is true for the turnover in options and other derivatives where the EUR-denominated volume has soared from USD 0.2 billion to USD 3.6 billion. With a total turnover of USD 14.7 billion (i.e. 88 % of the total), the euro remains by far the most important denomination in the interest rates derivatives market.

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### **3. Statistical tables for Belgium**

#### **Methodological note**

Unless otherwise indicated, when data are compared from year to year, they all relate to the same period of the years in question. In the tables, the totals shown may differ from the sum of the items owing to rounding.

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**Table 1**  
**Global foreign exchange market turnover by instrument**  
(average net daily turnover in April, in billions of US dollars)

<b>Instrument</b>	<b>2007</b>	<b>2010</b>	<b>2013</b>	<b>2016</b>
<b>Foreign exchange instruments</b>	<b>50.1</b>	<b>32.5</b>	<b>21.6</b>	<b>23.0</b>
Spot transactions	14.6	7.9	3.3	4.0
Outright forwards	7.3	1.6	0.9	0.5
FX swaps	26.3	22.5	16.8	18.0
Currency swaps (Xccy)	0.4	0.1	0.2	0.2
Options and other instruments <sup>1</sup>	1.5	0.5	0.5	0.3

Memo:

Turnover at April 2016 exchange rates

<sup>1</sup> Exchange-traded derivatives

**Table 2**  
**Foreign exchange market turnover by instrument, counterparty and maturity**  
(daily net averages in April, in billions of US dollars and percentages)

Instrument/counterparty	2007		2010		2013		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Spot</b>	<b>14.6</b>	<b>29</b>	<b>7.9</b>	<b>24</b>	<b>3.3</b>	<b>15</b>	<b>4.0</b>	<b>17</b>
with reporting dealers	11.2	77	5.3	66	2.2	67	2.9	72
with other financial institutions	2.3	16	2.4	31	0.9	28	1.0	25
with non-financial customers	1.1	7	0.2	3	0.2	5	0.1	3
<b>Outright forwards</b>	<b>7.3</b>	<b>15</b>	<b>1.6</b>	<b>5</b>	<b>0.9</b>	<b>4</b>	<b>0.5</b>	<b>2</b>
with reporting dealers	5.8	80	1.1	74	0.4	43	0.2	36
with other financial institutions	0.7	9	0.3	16	0.3	33	0.2	44
with non-financial customers	0.8	11	0.2	10	0.2	24	0.1	21
<b>FX swaps</b>	<b>26.3</b>	<b>52</b>	<b>22.5</b>	<b>69</b>	<b>16.8</b>	<b>78</b>	<b>18.0</b>	<b>78</b>
with reporting dealers	19.3	73	13.3	59	12.5	74	14.6	81
with other financial institutions	5.5	21	8.0	36	3.8	23	2.9	16
with non-financial customers	1.4	5	1.2	5	0.5	3	0.5	3
<b>Currency swaps (Xccy)</b>	<b>0.4</b>	<b>1</b>	<b>0.1</b>	<b>0</b>	<b>0.2</b>	<b>1</b>	<b>0.2</b>	<b>1</b>
with reporting dealers	0.2	50	0.1	73	0.1	67	0.1	39
with other financial institutions	0.1	14	0.0	26	0.0	5	0.0	18
with non-financial customers	0.1	36	0.0	1	0.1	28	0.1	44
<b>Options and other instruments</b>	<b>1.5</b>	<b>3</b>	<b>0.5</b>	<b>2</b>	<b>0.5</b>	<b>2</b>	<b>0.3</b>	<b>1</b>
with reporting dealers	0.9	58	0.4	71	0.3	65	0.1	48
with other financial institutions	0.5	31	0.1	23	0.1	15	0.0	16
with non-financial customers	0.2	12	0.0	7	0.1	20	0.1	36
<b>Total</b>	<b>50.1</b>	<b>100</b>	<b>32.5</b>	<b>100</b>	<b>21.6</b>	<b>100</b>	<b>23.0</b>	<b>100</b>
with reporting dealers	37.4	75	20.1	62	15.5	72	17.9	78
with other financial institutions	9.1	18	10.8	33	5.1	24	4.2	18
with non-financial customers	3.6	7	1.6	5	1.0	5	1.0	4
Local	1.4	3	1.6	5	2.3	11	9.2	40
Cross-border	48.7	97	31.0	95	19.3	89	13.9	60
<b>Outright forwards</b>	<b>7.3</b>	<b>100</b>	<b>1.6</b>	<b>100</b>	<b>0.9</b>	<b>100</b>	<b>0.5</b>	<b>100</b>
Up to 7 days	3.4	47	0.4	23	0.3	32	0.3	51
Over 7 days and up to 1 year	3.8	52	1.2	76	0.6	64	0.3	48
Over 1 year	0.1	1	0.0	1	0.0	4	0.0	1
<b>FX swaps</b>	<b>26.3</b>	<b>100</b>	<b>22.5</b>	<b>100</b>	<b>16.8</b>	<b>100</b>	<b>18.0</b>	<b>100</b>
Up to 7 days	23.0	88	18.1	80	14.3	85	12.5	70
Over 7 days and up to 1 year	3.2	12	4.4	20	2.5	15	5.3	30
Over 1 year	0.1	0	0.0	0	0.0	0	0.1	0

**Table 3**  
**Currency distribution of foreign exchange market turnover**

(percentage shares of average net daily turnover in April)

Currency	2007	2010	2013	2016
USD	88	83	85	86
EUR	66	60	55	68
JPY	6	6	6	5
GBP	10	19	16	12
AUD	3	4	5	2
CHF	3	5	6	7
CAD	1	1	1	2
SEK	1	2	1	1
Other currencies	24	21	24	17
<b>All currencies *</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>

\* As both base and quoted currencies are used for the calculation of the relative weight in the total turnover, the sum of these relative weights amounts to 200 %.



**Table 4**  
**Foreign exchange market turnover by currency pair**

(net daily averages in April, in billions of US dollars and percentages)

Currency pair	2007		2010		2013		2016	
	Amount	%	Amount		Amount	%	Amount	%
USD/EUR	29.0	57.8	15.1	46.5	8.7	40.2	12.5	54.3
USD/JPY	2.1	4.2	0.8	2.5	1.0	4.8	0.8	3.5
USD/GBP	3.6	7.2	5.0	15.5	2.4	11.0	1.7	7.4
USD/AUD	1.4	2.8	1.1	3.3	1.0	4.5	0.4	1.5
USD/CAD	0.2	0.4	0.2	0.7	0.2	1.0	0.2	1.0
USD/CHF	1.0	2.1	1.1	3.5	1.0	4.8	1.3	5.7
USD/SEK	0.2	0.4	0.4	1.2	0.2	0.8	0.3	1.2
EUR/JPY	0.8	1.6	0.8	2.5	0.2	0.7	0.3	1.2
EUR/GBP	1.3	2.5	1.2	3.6	1.1	5.3	0.9	4.1
EUR/CHF	0.4	0.8	0.5	1.4	0.2	1.0	0.3	1.4
EUR/CAD	0.1	0.2	0.1	0.4	0.1	0.4	0.1	0.5
EUR/AUD	0.0	0.1	0.1	0.4	0.1	0.5	0.1	0.3
EUR/SEK	0.2	0.4	0.1	0.4	0.1	0.5	0.1	0.3
Other pairs	9.8	19.5	5.9	18.1	5.3	24.5	4.1	17.6
<b>All currency pairs</b>	<b>50.1</b>	<b>100.0</b>	<b>32.5</b>	<b>100</b>	<b>21.6</b>	<b>100.0</b>	<b>23.0</b>	<b>100.0</b>

**Table 5**  
**Global OTC interest rate derivatives market turnover by instrument**

(average net daily turnover in April, in billions of US dollars)

Instrument	2007	2010	2013	2016
<b>Interest rate instruments</b>	<b>21.6</b>	<b>10.0</b>	<b>8.6</b>	<b>16.7</b>
Forward Rate Agreements (FRA)	1.7	0.3	5.0	6.6
Interest Rate Swaps (IRS)	15.8	4.7	3.4	6.1
Options and other instruments <sup>1</sup>	4.1	5.0	0.2	3.9

Memo:

Turnover at April 2016 exchange rates

<sup>1</sup> Exchange-traded derivatives

**Table 6**  
**OTC interest rate derivatives turnover by instrument, counterparty**  
(net daily averages in April, in billions of US dollars and percentages)

Instrument/counterparty	2007		2010		2013		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Forward Rate Agreements (FRA)</b>	<b>1.7</b>	<b>100</b>	<b>0.3</b>	<b>100</b>	<b>5.0</b>	<b>100</b>	<b>6.6</b>	<b>100</b>
with reporting dealers	1.4	82	0.3	96	0.4	7	2.8	42
with other financial institutions	0.3	18	0.0	4	4.6	92	3.7	56
with non-financial customers	0.0	0	0.0	0	0.0	1	0.1	2
<b>Interest Rate Swaps (IRS)</b>	<b>15.8</b>	<b>100</b>	<b>4.7</b>	<b>100</b>	<b>3.4</b>	<b>100</b>	<b>6.1</b>	<b>100</b>
with reporting dealers	12.3	78	3.2	67	2.2	64	3.8	62
with other financial institutions	2.9	18	1.5	31	1.2	33	1.1	18
with non-financial customers	0.6	4	0.1	2	0.1	3	1.2	20
<b>Options and other instruments</b>	<b>4.1</b>	<b>100</b>	<b>5.0</b>	<b>100</b>	<b>0.2</b>	<b>100</b>	<b>3.9</b>	<b>100</b>
with reporting dealers	2.5	61	3.5	69	0.1	66	3.2	81
with other financial institutions	1.5	36	1.5	29	0.0	13	0.3	9
with non-financial customers	0.1	3	0.1	2	0.0	22	0.4	10
<b>Total</b>	<b>21.6</b>	<b>100</b>	<b>10.0</b>	<b>100</b>	<b>8.6</b>	<b>100</b>	<b>16.7</b>	<b>100</b>
with reporting dealers	16.2	75	6.9	69	2.7	31	9.7	59
with other financial institutions	4.7	22	2.9	29	5.8	67	5.2	31
with non-financial customers	0.7	3	0.2	2	0.2	2	1.7	10
Local	1.3		1.0		0.6		1.9	
Cross-border	20.3		9.0		8.0		14.8	

**Table 7 OTC interest rate derivatives turnover by currency**

(net daily averages in April, in billions of US dollars)

Currency	2007	2010	2013	2016
<b>Forward Rate Agreements (FRA)</b>	<b>1.7</b>	<b>0.3</b>	<b>5.0</b>	<b>6.6</b>
USD	0.1	0.0	0.0	0.5
EUR	1.6	0.2	4.9	5.8
JPY	0.0	0.0	0.0	0.0
GBP	0.0	0.0	0.0	0.3
CHF	0.0	0.0	0.0	0.0
CAD	0.0	0.0	0.0	0.0
AUD	0.0	0.0	0.0	0.0
SEK	0.0	0.0	0.0	0.0
Other currencies	0.0	0.1	0.0	0.0
<b>Interest Rate Swaps (IRS)</b>	<b>15.8</b>	<b>4.7</b>	<b>3.4</b>	<b>6.1</b>
USD	1.3	1.2	0.3	0.6
EUR	12.8	3.1	3.0	5.2
JPY	0.1	0.2	0.0	0.0
GBP	0.8	0.1	0.1	0.0
CHF	0.5	0.1	0.0	0.0
CAD	0.1	0.0	0.0	0.0
AUD	0.1	0.0	0.0	0.0
SEK	0.1	0.1	0.0	0.0
Other currencies	0.1	0.1	0.1	0.2
<b>Options and other instruments</b>	<b>4.1</b>	<b>5.0</b>	<b>0.2</b>	<b>3.9</b>
USD	0.1	1.2	0.0	0.2
EUR	3.8	3.2	0.2	3.6
JPY	0.0	0.2	0.0	0.0
GBP	0.1	0.1	0.0	0.0
CHF	0.1	0.1	0.0	0.0
CAD	0.0	0.0	0.0	0.0
AUD	0.0	0.0	0.0	0.0
SEK	0.0	0.1	0.0	0.0
Other currencies	0.0	0.1	0.0	0.0
<b>Total</b>	<b>21.6</b>	<b>10.0</b>	<b>8.6</b>	<b>16.7</b>
USD	1.5	2.4	0.3	1.4
EUR	18.2	6.5	8.1	14.7
JPY	0.1	0.4	0.0	0.0
GBP	0.9	0.2	0.1	0.4
CHF	0.5	0.2	0.0	0.0
CAD	0.1	0.0	0.0	0.0
AUD	0.1	0.0	0.0	0.0
SEK	0.1	0.1	0.0	0.0
Other currencies	0.1	0.2	0.1	0.1