

BIS Triennial Survey of Foreign Exchange and Derivatives Market Activity - April 2016

Main results for the Paris financial centre

- *Paris retains its ranking, with the third highest turnover in interest rate derivatives, behind the US markets and London.*

Interest rate derivatives:
Daily turnover in the main financial markets
(in billions of US dollars, at current exchange rates)

	2013	2016
United States	628	1 241
United Kingdom	1 348	1 180
France	146	141
Hong Kong	28	110
Singapore	37	58
Japan	67	56
Australia	66	49
Other	382	193
Total	2 702	3 028
France's share of the total market	5.4%	4.7%

Sources: Banque de France and Bank for International Settlements

- *As regards foreign exchange instruments, Paris has moved up to sixth position worldwide, one rank higher than in the previous survey carried out in 2013, while Switzerland lost one place.*

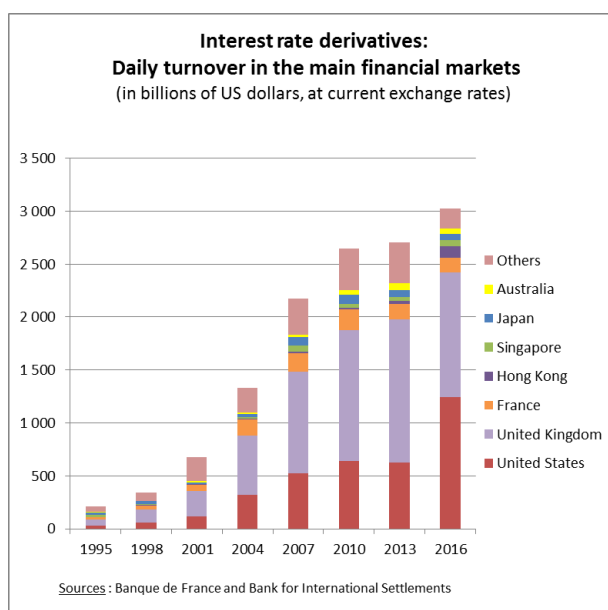
Foreign exchange instruments:
Daily turnover in the main financial markets
(in billions of US dollars, at current exchange rates)

	2013	2016
United Kingdom	2 726	2 426
United States	1 263	1 272
Singapore	383	517
Hong Kong	275	437
Japan	374	399
France	190	181
Switzerland	216	156
Other	1 258	1 157
Total	6 684	6 546
France's share of the total market	2.8%	2.8%

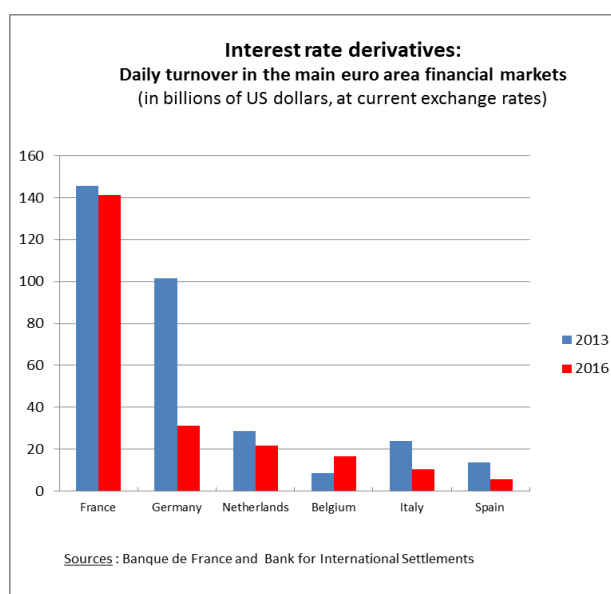
Sources: Banque de France and Bank for International Settlements

- *Paris confirms its position as the leading financial centre in the euro area for foreign exchange and interest rate derivatives trading.*

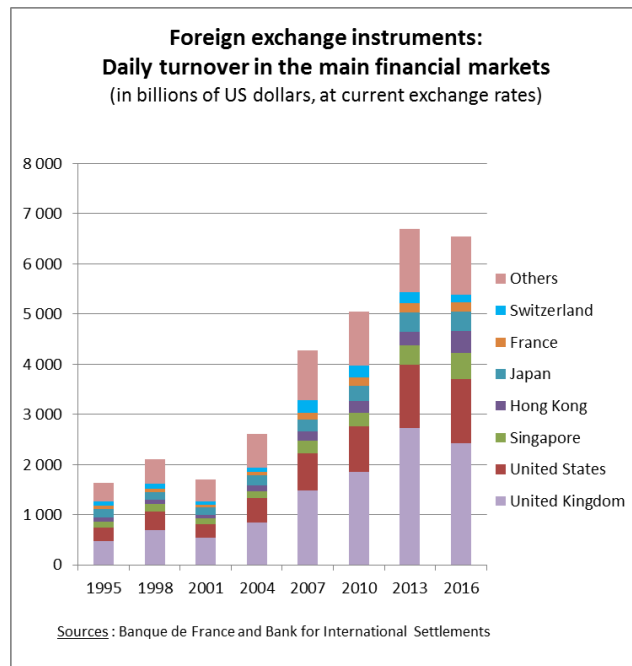
- As regards interest rate derivative transactions carried out in Paris, the share of the US dollar increased from 11% to 19% of total transactions while that of the euro declined (74% in 2016 – at constant exchange rates – versus 84% in 2013). This change probably reflects increased demand for dollar hedging in the context of expectations of a hike in US key rates and reduced demand for hedging in euro, reflecting expectations that the Eurosystem will continue to pursue an accommodative monetary policy.
- At international level, these trends result in gains for the US markets, which conduct a relatively greater amount of US dollar transactions, at the expense of markets carrying out a higher proportion of euro transactions.



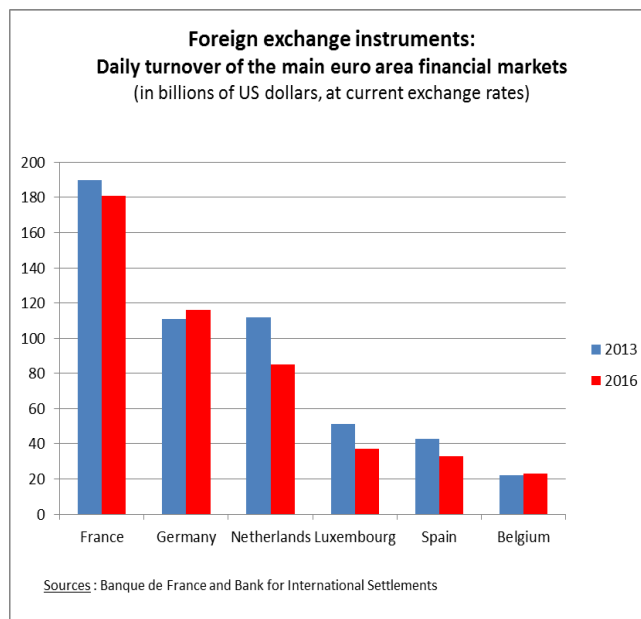
- The Paris financial centre was not significantly affected by the reduced demand for euro transactions, with overall trading volumes down only slightly compared with 2013 (see chart below) and even up by 8% at constant exchange rates. However, some of the other markets in the euro area were more severely affected.



- *There was little change in the trends in foreign exchange turnover between the two surveys. The main markets continue to be London, the US markets and the Asian markets.*



- *Against this backdrop, Paris confirmed its position within the euro area.*



- *As concerns foreign exchange transactions, the EUR/USD continued to be the predominant currency pair with 44% of transactions carried out in Paris (against 43% in 2013).*

Table 1: Daily turnover in the main financial markets
(in billions of US dollars)

		1995	1998	2001	2004	2007	2010	2013	2016
Interest rate derivatives turnover (all instruments)	United States	32	58	116	317	525	642	628	1 241
	United Kingdom	59	123	238	563	957	1 235	1 348	1 180
	France	19	41	65	151	176	193	146	141
	Hong Kong	4	2	3	11	17	18	28	110
	Singapore	16	5	3	9	57	35	37	58
	Japan	26	32	16	31	76	90	67	56
	Australia	3	3	10	13	23	41	66	49
	Others	50	79	226	235	341	395	382	193
	Total	209	344	676	1 330	2 173	2 649	2 702	3 028
	France's share of the total market	9.0%	11.8%	9.6%	11.4%	8.1%	7.3%	5.4%	4.7%
Foreign exchange turnover (all instruments)	United Kingdom	479	685	542	835	1 483	1 854	2 726	2 426
	United States	266	383	273	499	745	904	1 263	1 272
	Singapore	107	145	104	134	242	266	383	517
	Hong Kong	91	80	68	106	181	238	275	437
	Japan	168	146	153	207	250	312	374	399
	France	62	77	50	67	127	152	190	181
	Switzerland	88	92	76	85	254	249	216	156
	Others	371	491	440	675	996	1 068	1 258	1 157
	Total	1 633	2 099	1 705	2 608	4 281	5 043	6 684	6 546
	France's share of the total market	3.8%	3.7%	2.9%	2.6%	3.0%	3.0%	2.8%	2.8%

Source : Banque de France and Bank for International Settlements

Table 2: Net average daily turnover on the Paris market (in billions of US dollars)

<i>Instruments</i>	1995	1998	2001	2004	2007	2010	2013	2016	Change 2013/2016	% change
Spot	25	19	9	13	25	27	37	23	-14	-38%
Outright forwards	2	3	1	5	7	10	9	15	6	67%
Foreign exchange swaps	30	50	38	46	87	104	135	137	2	1%
Currency swaps	0	1	0	1	1	4	3	2	-1	-33%
Options	3	4	1	2	6	6	5	4	-1	-20%
Foreign exchange instruments	62	77	50	67	127	152	190	181	-9	-5%
FRA	5	5	7	29	19	46	49	35	-14	-28%
Interest rate swaps	13	32	56	118	139	128	93	99	6	6%
Options	1	3	3	5	16	18	4	7	3	78%
Other instruments	0	0	0	0	2	1	0	0	0	0%
Interest rate derivatives	19	41	65	151	176	193	146	141	-5	-3%
Overall total	80	118	115	218	303	345	336	322	-14	-4%

Source: Banque de France.

**Table 3: Foreign exchange turnover on the Paris market
(In billions of US dollars)**

<i>Instruments</i>	<i>Daily average 2013 (21 business days)</i>	Gross total 2016	Adjustment (double counting)	Net total 2016	Daily average 2016 (21 business days)	<i>Change in daily average</i>
Total foreign exchange instruments	190	3,948	155	3,793	181	-9
Spot	37	495	17	478	23	-14
Outright forwards	9	329	10	319	15	6
Foreign exchange swaps	135	2,990	124	2,867	137	2
Currency swaps	3	36	2	34	2	-2
Options	5	97	3	94	4	-1

Source: Banque de France.

Table 4: Breakdown of average daily foreign exchange turnover on the Paris market by counterparty and currency (in billions of US dollars)

	Total	Spot transactions	Outright forwards	Foreign exchange swaps	Currency swaps	Foreign exchange options
Total	181	23	15	137	2	4
by counterparty						
Reporting dealers	106	12	8	82	1	3
Reporting dealers (local)	7	1	0	6	0	0
Reporting dealers (cross-border)	99	11	8	76	1	3
Other financial customers	63	9	6	47	0	1
Other financial customers (local)	16	3	2	11	0	0
Other financial customers (cross-border)	47	6	4	36	0	1
Non-financial customers	11	1	2	8	0	0
Non-financial customers (local)	6	1	1	4	0	0
Non-financial customers (cross-border)	5	0	1	3	0	0
by currency						
US dollar	154	17	11	121	1	4
Euro	24	5	3	15	0	1
Yen	1	0	0	0	.	0
Remaining currencies	1	0	0	0	0	0

Source: Banque de France.

“.” indicates empty data

**Table 5: Breakdown of foreign exchange turnover on the Paris market by currency
(in billions of US dollars)**

Currency	2013 (Daily average)		2016 (Daily average)		Change
	Net amount	As a percentage	Net amount	As a percentage	Net amount
Total foreign exchange instruments	189.9	100.0%	180.6	100.0%	-9.3
USD/EUR	81.3	42.8%	79.3	43.9%	-2.0
USD/JPY	17.8	9.4%	22.9	12.7%	5.1
USD/GBP	17.6	9.3%	14.5	8.0%	-3.1
USD/CHF	11.2	5.9%	11.8	6.5%	0.6
EUR/GBP	9.2	4.8%	9.5	5.2%	0.3
USD/AUD	9.0	4.7%	6.4	3.5%	-2.6
EUR/JPY	5.0	2.7%	5.8	3.2%	0.7
USD/CAD	5.3	2.8%	4.9	2.7%	-0.3
USD/Other	4.2	2.2%	3.6	2.0%	-0.7
EUR/CHF	3.1	1.6%	3.1	1.7%	0.0
USD/SEK	3.0	1.6%	2.2	1.2%	-0.9
EUR/Other	3.2	1.7%	1.7	1.0%	-1.4
USD/NOK	1.6	0.8%	1.4	0.8%	-0.2
USD/HKD	1.0	0.5%	1.2	0.7%	0.2
USD/SGD	1.0	0.5%	0.9	0.5%	0.0
EUR/SEK	1.1	0.6%	0.8	0.5%	-0.2
USD/CNY	1.1	0.6%	0.8	0.5%	-0.3
USD/MXN	2.0	1.1%	0.8	0.4%	-1.2
EUR/AUD	0.9	0.5%	0.8	0.4%	-0.2
EUR/NOK	0.8	0.4%	0.8	0.4%	0.0
USD/NZD	1.2	0.6%	0.7	0.4%	-0.5
EUR/CAD	0.7	0.4%	0.7	0.4%	0.0
USD/PLN	0.8	0.4%	0.7	0.4%	-0.1
USD/BRL	0.5	0.2%	0.6	0.3%	0.1
JPY/Other	0.5	0.3%	0.5	0.3%	0.0
JPY/AUD	0.6	0.3%	0.5	0.3%	-0.1
USD/TRY	0.9	0.5%	0.5	0.3%	-0.4
USD/ZAR	1.0	0.5%	0.4	0.2%	-0.6
EUR/PLN	0.6	0.3%	0.3	0.2%	-0.3
EUR/DKK	0.5	0.2%	0.3	0.2%	-0.2
USD/RUB	0.9	0.5%	0.2	0.1%	-0.6
EUR/CNY	0.0	0.0%	0.2	0.1%	0.2
USD/KRW	0.3	0.2%	0.2	0.1%	-0.1
EUR/TRY	0.2	0.1%	0.1	0.1%	0.0
USD/TWD	0.3	0.2%	0.1	0.1%	-0.2
EUR/HUF	0.3	0.1%	0.1	0.1%	-0.2
USD/INR	0.2	0.1%	0.1	0.1%	-0.1
Other/Other	1.0	0.5%	1.0	0.6%	0.0

Source: Banque de France.

**Table 6: Interest rate derivatives turnover on the Paris market
(in billions of US dollars)**

<i>Instruments</i>	<i>Daily average 2013 (21 business days)</i>	<i>Gross total 2016</i>	<i>Adjustment (double counting)</i>	<i>Net total 2016</i>	<i>Daily average 2016 (21 business days)</i>	<i>Change in daily average</i>
Total interest rate instruments	146	3,249	284	2,966	141	-4
F.R.A.	49	735	3	732	35	-14
Interest rate swaps	93	2,363	274	2,089	99	6
Options	4	152	6	145	7	3
Other instruments	0	0	0	0	0	0

Source: Banque de France.

**Table 7: Breakdown of average daily interest rate derivatives turnover on the Paris market
(in billions of US dollars)**

	Total	F.R.A.	Interest rate swaps	Interest rate options
Total	141	35	99	7
<i>by counterparty</i>				
Reporting dealers	32	3	26	3
Reporting dealers (local)	14	0	13	0
Reporting dealers (cross-border)	19	3	13	3
Other financial customers	107	32	72	3
Other financial customers (local)	4	0	3	1
Other financial customers (cross-border)	103	32	69	2
Non-financial customers	2	0	1	0
Non-financial customers (local)	1	.	1	0
Non-financial customers (cross-border)	1	0	1	0
<i>by currency</i>				
Euro	101	26	71	3
US dollar	27	5	18	3
Pound Sterling	7	3	4	0
Yen	5	.	5	0
Australian dollar	1	.	1	0
Other currencies	1	0	1	0

Source: Banque de France.

“.” indicates empty data

**Table 8: Breakdown of interest rate derivatives turnover on the Paris market by currency
(in billions of US dollars)**

Currency	2013 (Daily average)		2016 (Daily average)		Change
	Net amount	As a percentage	Net amount	As a percentage	Net amount
Total interest rate instruments	145.6	100.0%	141.2	100.0%	-4.4
EUR Euro	121.9	83.7%	100.6	71.3%	-21.2
USD US dollar	16.7	11.5%	26.8	19.0%	10.2
GBP Pound Sterling	4.4	3.0%	6.6	4.7%	2.3
JPY Yen	1.2	0.8%	4.9	3.5%	3.7
AUD Australian dollar	0.2	0.1%	0.8	0.5%	0.6
CHF Swiss franc	0.2	0.1%	0.4	0.3%	0.2
MXN Mexican peso	0.2	0.1%	0.2	0.1%	0.0
NOK Norwegian krone	0.1	0.1%	0.2	0.1%	0.1
SEK Swedish krona	0.2	0.1%	0.1	0.1%	0.0
PLN Polish zloty	0.1	0.1%	0.1	0.1%	0.0
HKD Hong Kong dollar	0.1	0.1%	0.1	0.1%	0.0
CNY Renminbi	0.0	0.0%	0.1	0.0%	0.0
SGD Singapore dollar	0.0	0.1%	0.1	0.0%	0.0
CAD Canadian dollar	0.0	0.0%	0.1	0.0%	0.1
SAR Saudi Arabian Riyal	0.0	0.0%	0.1	0.0%	0.0
KRW South Korean won	0.1	0.1%	0.0	0.0%	-0.1
Other	0.3	0.2%	0.2	0.1%	-0.1

Source: Banque de France.

Methodology

The Banque de France and 51 other central banks and monetary authorities carried out a survey of foreign exchange and interest rate derivatives trading in each of their respective countries in April 2016. They contributed these data to the international Survey of Foreign Exchange and Derivatives Market Activity carried out every three years by the Bank for International Settlements (BIS). These statistics include both over-the-counter (OTC) transactions and transactions traded through clearing houses.

The data provided in the tables are presented in gross amounts, net amounts and net average daily turnover. The net amount is after eliminating double counting arising from transactions between reporting dealers in a same financial market. The amounts are expressed in equivalent US dollars at current exchange rates (exchange rate on the transaction date, or end-of-period exchange rate or average exchange rate).

Turnover is computed using the notional amounts that provide a basis for calculation but do not correspond to the actual cash flows. This approach is the most reliable for measuring trading volumes between the various markets. Banks' actual cash flows mainly correspond to balances arising from price fluctuations or to hedge prices and are significantly lower. These transactions for the most part represent financial services offered to facilitate companies' financial management and financing.

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