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According to a 2010 BIS survey, the Mexican peso's daily trading volume in international foreign exchange and derivative markets is 50 billion US dollars

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- **Banco de México participated in this global survey, conducted by the BIS every three years, along with 53 central banks**
 - **In terms of turnover, the Mexican peso ranks 13th in the world**
 - **Banco de México collected information representing 92% of the local trading volume in such markets**
 - **In Mexico, foreign exchange transactions by phone or other electronic voice systems currently account for 44% of the total spot trading volume**
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Once every three years, the Bank for International Settlements (BIS) conducts a global survey of foreign exchange market, foreign currency and interest rate derivative market trading volumes. The purpose of the survey is to obtain comprehensive and comparable international information in order to quantify the size of these markets, their trend over time as well as each currency and transaction's share of the total. As in previous years, Banco de México along with 53 central banks and monetary authorities answered the survey. Banco de México requested data from 16 banks and one brokerage firm, which altogether account for 92% of Mexico's foreign exchange and derivatives market trading volume.

According to the survey, the Mexican peso ranks 13th among the world's most traded currencies and 3rd among emerging market currencies only after South Korea's won and the Singapore dollar. In 2010, the Mexican peso's daily trading volume in foreign exchange markets averaged 50 billion US dollars, 15% more than the figures reported in the previous survey. The data also shows that 67% of Mexican peso transactions took place outside Mexico as compared to 60% three years ago, while the percentage of transactions in which at least one of the counterparties was foreign has increased slightly over the last three years, from 90% in 2007 to 93% in 2010.

Press release

I. Relevant issues of the Mexican peso's trading volume

Data collected by Banco de México from domestic banks and brokerage firms in April 2010 shows that in 2010¹ the average daily volume traded locally by banks amounted to 17 billion US dollars, 12% more than the figures reported in the previous survey and 15% more than those reported in the 2004 survey.

In the local foreign exchange market, forex swaps still account for the bulk of the volume, accounting for 61% of the total amount traded, while spot transactions account for 31% and forwards for 5%.

Regarding average maturities, 94% of the swaps have a maturity of seven or fewer days while 79% of forwards have maturities from seven days to one year.

Trading continues to be highly concentrated, with 95% of Mexico's volume consisting of peso-dollar transactions.

As for the operational execution of foreign exchange transactions in Mexico, the report shows an increase in the number of transactions by phone or other electronic voice systems. In the spot market, for example, such trading rose from 27% of the total volume in 2007, to 44% in 2010. The number of transactions executed electronically through a brokerage firm decreased from 47% in 2007 to 32% in 2010.

The daily trading volume of interest rate derivatives in pesos decreased as compared to the volumes reported in the 2007 survey. This is partly due to a lower trading volume as well as to an adjustment in the peso-dollar exchange rate between 2007 and 2010 (results are measured in US dollars). The local volume of forward rate agreements (FRAs) thus decreased to a daily average of 8 million US dollars and the interest rate swaps (IRS) volume, to 1.3 bn US dollars from 311 million US dollars and 2.4 billion US dollars, respectively.

The tables below show data collected by Banco de México for local foreign exchange and interest rate derivatives markets. The figures are daily averages in million US dollars and were adjusted to avoid double reporting. The details of the methodology used and the overall results of this survey can be consulted at the following web site: <http://www.bis.org/publ/rpfx10.htm>

¹ To obtain the local daily average trading volume, results are adjusted to avoid double reporting among local institutions. This volume differs from the global volume, which also includes transactions done outside of Mexico and other adjustments made by the BIS. For further information, please refer to www.bis.org/triennial.html.

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Table 1: Spot, Forwards and Swaps. Peso vs. Other Currencies

EXCHANGE RATE CONTRACTS ¹								
Average daily turnover (April 2010)								
(million USD)								
Instruments	MXN vs. other currencies							
	USD	EUR	JPY	GBP	CHF	CAD	Others	TOT
SPOT ²	4,894	120	2	1	2	4	0	5,023
FORWARDS ³	720	60	0	0	0	0	0	780
SWAPS ⁴	10,402	3	0	0	0	0	0	10,405

1. All OTC transactions involving exposure to more than one currency, including exchange rate and interest rate transactions.
2. Simple spot settlement transactions. Includes same day and 24-hour transactions. Excludes “tomorrow/next day” transactions and longer-than-48 hour transactions.
3. Simple transactions for 48-hour settlements.
4. Transaction involving a simultaneous buy and sell. A swap is considered a single transaction because both legs of the transaction are not registered separately. Includes “tomorrow/next day” transactions.

Table 2: Spot, Forwards and Swaps. Dollar vs. Currencies Other than the Mexican Peso

EXCHANGE RATE CONTRACTS ¹						
Average daily turnover (April 2010)						
(million USD)						
Instruments	USD vs. currencies other than the MXN					
	EUR	JPY	GBP	CHF	Others	TOT
SPOT ²	204	5	14	2	48	273
FORWARDS ³	33	8	6	0	121	168
SWAPS ⁴	27	2	0	0	0	29

1. All OTC transactions involving exposure to more than one currency, including exchange rate and interest rate transactions.
2. Simple spot settlement transactions. Includes same day and 24-hour transactions. Excludes “tomorrow/next day” transactions and longer-than-48 hour transactions.
3. Simple transactions for 48-hour settlements.
4. Transaction involving a simultaneous buy and sell. A swap is considered a single transaction because both legs of the transaction are registered separately. Includes “tomorrow/next day” transactions.

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Table 3: Interest Rate Swaps and OTC Options. Mexican Peso vs. Other Currencies

EXCHANGE RATE CONTRACTS ¹			
Average daily turnover (April 2010)			
(million USD)			
Instruments	MXN vs. currencies other than the MXN		
	USD	Others	TOT
INTEREST RATE SWAPS² (TWO CURRENCIES)	150	0	150
SOLD OTC OPTIONS³	86	9	95
BOUGHT OTC OPTIONS³	71	13	84

1. All OTC transactions involving exposure to more than one currency, including exchange rate and interest rate transactions.
2. Contract which binds two counterparties to exchange streams of interest payments and principal in two different currencies. A swap is considered a single transaction because both legs of the transaction are not registered separately.
3. Option contract giving the right to buy or sell a currency with another currency at a specified exchange rate. Includes currency warrants and multi-currency swaptions.

Table 4: Interest Rate Swaps and OTC Options. Dollar vs. Currencies Other than the Mexican Peso

EXCHANGE RATE CONTRACTS ¹				
Average daily turnover (April 2010)				
(million USD)				
Instruments	USD vs. currencies other than the MXN			
	EUR	CAD	Others	TOT
INTEREST RATE SWAPS² (TWO CURRENCIES)	0.0	0.0	2	2
SOLD OTC OPTIONS³	0.0	0.0	1	1
BOUGHT OTC OPTIONS³	0.0	0.0	1	1

1. All OTC transactions involving exposure to more than one currency, including exchange rate and interest rate transactions.
2. Contract which binds two counterparties to exchange streams of interest payments and principal in two different currencies. A swap is considered a single transaction because both legs of the transaction are not registered separately.
3. Option contract giving the right to buy or sell a currency with another currency at a specified exchange rate. Includes currency warrants and multi-currency swaptions.

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Table 5: Forward Rate Agreements and Swaps. Single Currency

SINGLE CURRENCY INTEREST RATE DERIVATIVES ¹
Average daily turnover (April 2010)
(million USD)

Instruments	MXN	USD	Others	TOT
FORWARD RATE AGREEMENTS²	8	0	0	8
INTEREST RATE SWAPS³ (SINGLE CURRENCY)	1,236	57	0	1,293

1. All OTC transactions where all legs are exposed to one and only one currency's interest rate, including all fixed/floating and floating/floating single-currency interest rate contracts.
2. Transaction in which the interest rate payable or receivable corresponding to a period of time beginning in the future is set at the start of the agreement.
3. Contract which binds counterparties to exchange payment streams referenced to a single currency, which may be fixed/floating or floating/floating. A swap is considered to be a single transaction in that the two legs are not registered separately.

Table 6: OTC Interest Rate Options. Single Currency

SINGLE CURRENCY INTEREST RATE DERIVATIVES
Average daily turnover (April 2010)
(million USD)

Instruments	MXN	USD	Others	TOT
SOLD OTC OPTIONS²	47	4	0	51
BOUGHT OTC OPTIONS²	37	3	0	40

1. All OTC transactions where all legs are exposed to one and only one currency's interest rate, including all fixed/floating and floating/floating single-currency interest rate contracts.
2. Contract giving the right to pay or receive a specified rate of interest on a given amount over a set period of time.