



# BANCO DE MÉXICO

## **Results of the Triennial Central Bank Survey of Foreign Exchange and Derivatives Market Activity coordinated by the Bank for International Settlements (BIS) – April 2004**

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Once every three years, the Bank for International Settlements (BIS) conducts a foreign exchange and derivatives market survey with the collaboration of central banks. On this occasion, 52 central banks and monetary authorities completed the survey. The purpose of this survey is to obtain comprehensive and internationally consistent information on the size and structure of foreign exchange and derivatives OTC markets.

In April 2004, Banco de México collected information from the ten most active banks in terms of foreign exchange and derivatives turnover in our country. This group of banks represents 90% of the turnover in the foreign exchange market and 98% in the derivatives market.

The BIS computed the results sent by each participating central bank and adjusted for double reporting resulting from trades performed among international entities. The methodology and the global results of the survey are available at <http://www.bis.org/publ/rpfx05t.pdf>

The information collected by Banco de México from the local markets, presented bellow, is expressed in terms of daily averages. Interbank local operations are adjusted for double-reporting purposes.



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Table 1: Spot, Forwards, and Swaps. Peso vs. other currencies.

FOREIGN EXCHANGE CONTRACTS <sup>1</sup>								
Average daily turnover in nominal or notional principal amounts in April 2004 (in millions of USD)								
Instruments	MXN against							
	USD	EUR	JPY	GBP	CHF	CAD	Other	TOT
<b>SPOT</b> <sup>2</sup>	12,279.75	14.67	1.68	0.20	0.36	0.29	0.00	12,296.96
<b>FORWARDS</b>	1,115.32	0.35	0.00	0.00	0.00	0.00	0.00	1,115.67
<b>SWAPS</b> <sup>3</sup>	3,021.70	0.00	0.00	0.00	0.00	0.00	0.00	3,021.70

<sup>1</sup> All transactions involving exposure to more than one currency, whether in interest rates or exchange rates.

<sup>2</sup> Excluding "tomorrow/next day" transactions.

<sup>3</sup> A swap is considered to be a single transaction in that the two legs are not counted separately. Includes "tomorrow/next day" transactions.

Table 2: Spot, Forwards, and Swaps. USD vs. other currencies.

Central Bank Survey of Foreign Exchange and						
Average daily turnover in nominal or notional principal amounts in April 2004 (in millions of USD)						
Instruments	USD against					
	EUR	JPY	GBP	CHF	Other	TOT
<b>SPOT</b> <sup>2</sup>	19.24	9.57	27.43	0.63	0.00	56.87
<b>FORWARDS</b>	49.95	0.00	9.40	0.00	0.00	59.35
<b>SWAPS</b> <sup>3</sup>	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> All transactions involving exposure to more than one currency, whether in interest rates or exchange rates.

<sup>2</sup> Excluding "tomorrow/next day" transactions.

<sup>3</sup> A swap is considered to be a single transaction in that the two legs are not counted separately. Includes "tomorrow/next day" transactions.



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Table 3: Interest Rate Swaps and OTC Options. Peso vs. other currencies.

<b>FOREIGN EXCHANGE CONTRACTS <sup>1</sup></b>			
<b>Average daily turnover in nominal or notional principal amounts in April 2004</b>			
<i>(in millions of USD)</i>			
Instruments	MXN against		
	USD	Other	TOT
<b>CURRENCY SWAPS <sup>2</sup></b>	525.40	0.00	525.40
<b>SOLD OTC OPTIONS <sup>3</sup></b>	122.52	0.00	122.52
<b>BOUGHT OTC OPTIONS <sup>3</sup></b>	110.26	0.00	110.26

**1** All transactions involving exposure to more than one currency, whether in interest rates or exchange rates.

**2** Contract which commits two counterparties to exchange streams of interest payments in different currencies. A swap is considered to be a single transaction in that the two legs are not counted separately.

**3** Option contract that gives the right to buy or sell a currency with another currency at a specified exchange rate. Including currency warrants and multicurrency swaptions.

Table 4: Interest Rate Swaps and OTC Options. USD vs. other currencies.

<b>FOREIGN EXCHANGE CONTRACTS <sup>1</sup></b>				
<b>Average daily turnover in nominal or notional principal amounts in April 2004</b>				
<i>(in millions of USD)</i>				
Instruments	USD against			
	EUR	CAD	Other	TOT
<b>CURRENCY SWAPS<sup>2</sup></b>	3.60	0.33	0.00	3.93
<b>SOLD OTC OPTIONS<sup>3</sup></b>	0.00	0.00	0.00	0.00
<b>BOUGHT OTC OPTIONS<sup>3</sup></b>	0.00	0.00	0.00	0.00

**1** All transactions involving exposure to more than one currency, whether in interest rates or exchange rates.

**2** A swap is considered to be a single transaction in that the two legs are not counted separately.

**3** Including currency warrants and multicurrency swaptions.

Table 5: Forward Rate Agreements and Interest Rate Swaps. Single Currency.



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**SINGLE-CURRENCY INTEREST RATE DERIVATIVES <sup>1</sup>**  
**Average daily turnover in nominal or notional principal amounts in April 2004**  
*(in millions of USD)*

Instruments	MXN	USD	Other	TOT
<b>FORWARD RATE AGREEMENTS</b>	915.00	2.85	0.00	917.85
<b>SWAPS<sup>2</sup></b>	509.45	2.16	0.00	511.61

**1** All transactions where all the 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** A swap is considered to be a single transaction in that the two legs are not counted separately.

Table 6: OTC Interest Rate Options. Single Currency.

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**SINGLE-CURRENCY INTEREST RATE DERIVATIVES <sup>1</sup>**  
**Average daily turnover in nominal or notional principal amounts in April 2004**  
*(in millions of USD)*

Instruments	MXN	USD	Other	TOT
<b>SOLD OPTIONS</b>	0.00	102.38	0.00	102.38
<b>BOUGHT OPTIONS</b>	0.04	98.81	0.00	98.85

**1** All 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.