MMCG

Questionnaire on developments in the FX swap market
Milan, 13 June 2017
According to you, is the FX swap market...

- Strongly disagree
  - ... liquid?
    - 8
  - ... efficient?
    - 7.5

- Strongly agree
What determines your FX swap pricing?

- CLS eligibility: 12
- Perceived riskiness of counterparty: 12
- Presence of CSA: 14
- Other: 7
If other, please specify:

- Liquidity position
- Quarter end
- up to 3 month liquidity
- Funding-placement-options
- central banks agreements
- above 3 month ir cuvre
- cls only for volume
- fx liquidity position
- balancesheet
- RWA
What determines your FX swap trading limits?

- CLS eligibility: 16
- Perceived riskiness of counterparty: 17
- Presence of CSA: 15
- Other: 2
If other, please specify:

- geographical
- internal credit decision
- Wrong way risk
- Leverage ratio
- total limit counterparty
- Liquidity position
- mainly CLS
- currencypair
- linked
- mm
- na
- location
FX swap settlement channels

What % of your total business is conducted via CLS?
75.7

What % of your CLS currency eligible trades is conducted via CLS?
85.4

How constrained are you by CLS limits?
39.4

Does CLS have an impact on your pricing?
48.9
Please specify other settlement channels:

- regular settlement:
  - correspondents via CLS kill the risk of paym
  - Correspondent Banks
  - cash
  - na
What factors influenced the most your year-end activity?

- Capital requirements: 31%
- Bank levy: 26%
- Leverage ratio: 18%
- Other: 16%
- Fed regulation limiting exchange of flows in offshore markets: 9%
If other, please specify:

Market Risk

client behaviour

limits on liquidity

balance

Single Resolution Fund
In the next 12 months, do you think you will...

- increase counterparty limits? 5
- maintain counterparty limits? 8
- decrease counterparty limits? 1
In the next 12 months, do you expect new currency pairs to develop?

Yes: 2
No: 10
I don't know: 2

14 respondents
If yes, which currency pairs do you expect to develop?

PEN
CNH CNY na
ARS CLP