

Bank for International Settlements (BIS) 2022 Triennial Central Bank Survey of Foreign Exchange and OTC Derivatives Markets, April 2022

I. General aspects

Banco de México participated in the thirteenth Triennial Central Bank Survey of Foreign Exchange and over-the-counter (OTC) Derivatives Markets activity undertaken by the Bank for International Settlements (BIS)¹. As in previous occasions, the objective of this survey is to obtain consistent and exhaustive information on the size, structure, and activity in the aforementioned markets at a global scale. This year 52 central banks and monetary authorities took part in the survey and collected data from more than 1,200 banks and other dealers in their respective jurisdictions.

Amongst the results from the survey, the following stand out:

- ***Trading in global foreign exchange markets increased 14% with respect to the 2019 survey, reaching a daily average turnover of USD 7.5 trillion.***
- ***The Mexican peso ranked as the sixteenth most traded currency in the world, positioning itself as the third most traded currency amongst those of developing countries², surpassed by the Chinese renminbi and the Indian rupee.***
- ***Global turnover in the Mexican peso³ increased 3% when compared to the survey conducted in April 2019⁴, totaling a daily average turnover of approximately USD 114 billion. On a local scale the daily average trading volume of the Mexican peso was around USD 21 billion⁵.***

¹ The 2022 survey data is available at the following link: <https://www.bis.org/statistics/rpfx22.htm>

² According to the classification used by the International Monetary Fund in its latest World Economic Outlook. Information available at the following link: <https://www.imf.org/external/pubs/ft/weo/2022/02/weodata/groups.htm>

³ Peso transactions against the US dollar and other currencies in the spot, forward, swap, and option markets.

⁴ The 2019 survey data is available at the following link: <https://www.bis.org/statistics/rpfx19.htm>

⁵ Amounts are not adjusted for local and cross-border inter-dealer double-counting (i.e. “gross-gross” basis).

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As every three years, Banco de México collaborates with the BIS in gathering consistent and comparable information on foreign exchange market transactions around the world. This Triennial Survey is the most exhaustive source on the size and structure of the global foreign exchange and OTC derivatives markets. Hence, the results obtained from these surveys have helped policymakers, financial authorities, and other market participants to monitor the evolution of the market, identify its main characteristics, and understand the particular weight that each currency and instrument hold in worldwide daily operations. Moreover, the survey also aims to inform discussions on reforms to OTC markets.

The Triennial Survey is coordinated by the BIS under the auspices of the Markets Committee and the Committee on the Global Financial System. Participating central banks survey financial institutions in their jurisdictions and submit national aggregates to the BIS, which calculates and publishes global results.

This year’s survey shows that the Mexican peso’s trading volume increased when compared to the previous survey, although at a lower rate than the one observed for the overall FX market. Thus, the Mexican peso ranked sixteenth among the world’s most traded currencies, placing third amongst emerging market currencies after the Chinese renminbi and the Indian rupee. In this regard, one of the survey’s main highlights is the important increase in the Chinese renminbi turnover, whose share in global foreign exchange markets rose from 4.3% in 2019 to 7.0% in 2022, reflecting China’s greater integration to the global economy and financial markets.

With regards to the Mexican peso, daily average turnover increased from USD 111 billion in 2019 to USD 114 billion in 2022, which represents 1.5% of the global turnover, compared to 1.7% in 2019 (Table 1). Furthermore, the survey shows that 82% of the daily turnover takes place outside Mexico, a percentage similar to the one observed in the last surveys. This is explained by the fact that transactions involving the Mexican peso take place globally and 24 hours a day, under adequate trading and liquidity conditions.

As a result, the results from this survey reflect the effort and measures undertaken by Mexican authorities over the years in order to develop the foreign exchange market by offering a transparent, reliable, and consistent regulatory framework and trading conditions in line with international standards. Thus, credibility on the implementation of economic and foreign exchange policies is of the utmost importance, as they constitute a fundamental pillar in fostering the Mexican peso foreign exchange market.

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Table 1: Currency distribution of global foreign exchange market turnover

Global Position	Percentage share of average daily turnover in April							
	2013		2016		2019*		2022	
	Currency	Share	Currency	Share	Currency	Share	Currency	Share
1	U.S. dollar	87.0	U.S. dollar	87.6	U.S. dollar	88.3	U.S. dollar	88.5
2	Euro	33.4	Euro	31.4	Euro	32.3	Euro	30.5
3	Japanese yen	23.0	Japanese yen	21.6	Japanese yen	16.8	Japanese yen	16.7
4	Pound sterling	11.8	Pound sterling	12.8	Pound sterling	12.8	Pound sterling	12.9
5	Australian dollar	8.6	Australian dollar	6.9	Australian dollar	6.8	Chinese renminbi	7.0
6	Swiss franc	5.2	Canadian dollar	5.1	Canadian dollar	5.0	Australian dollar	6.4
7	Canadian dollar	4.6	Swiss franc	4.8	Swiss franc	4.9	Canadian dollar	6.2
8	Mexican peso	2.5	Chinese renminbi	4.0	Chinese renminbi	4.3	Swiss franc	5.2
9	Chinese renminbi	2.2	Swedish krona	2.2	Hong Kong dollar	3.5	Hong Kong dollar	2.6
10	New Zealand dollar	2.0	New Zealand dollar	2.1	New Zealand dollar	2.1	Singapore dollar	2.4
11	Swedish krona	1.8	Mexican peso	1.9	Swedish krona	2.0	Swedish krona	2.2
12	Russian ruble	1.6	Singapore dollar	1.8	Korean won	2.0	Korean won	1.9
13	Norwegian krone	1.4	Hong Kong dollar	1.7	Singapore dollar	1.8	Norwegian krone	1.7
14	Hong Kong dollar	1.4	Norwegian krone	1.7	Norwegian krone	1.8	New Zealand dollar	1.7
15	Singapore dollar	1.4	Korean won	1.7	Indian rupee	1.7	Indian rupee	1.6
16	Turkish lira	1.3	Turkish lira	1.4	Mexican peso	1.7	Mexican peso	1.5
17	Korean won	1.2	Russian ruble	1.1	Russian ruble	1.1	Taiwanese dollar	1.1
18	South African rand	1.1	Indian rupee	1.1	South African rand	1.1	South African rand	1.0
19	Brazilian real	1.1	Brazilian real	1.0	Turkish lira	1.1	Brazilian real	0.9
20	Indian rupee	1.0	South African rand	1.0	Brazilian real	1.1	Danish krone	0.7

Source: Bank for International Settlements.

Note: As there are two currencies involved in each transaction, the sum of the total participation percentage equals 200% instead of 100%.

* Revised data.

In terms of Mexico’s relevance as a financial center, the geographic distribution of daily average operations shows that 0.2% of total foreign exchange market turnover takes place in our country, maintaining a relatively stable share during the last surveys (Table 2).

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Table 2: Geographical distribution of global foreign exchange market turnover

Billions of U.S. dollars , percentage

Country	2004		2007		2010		2013		2016		2019*		2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Argentina	1	0.0	1	0.0	2	0.0	1	0.0	1	0.0	2	0.0	1	0.0
Australia	107	4.1	176	4.1	192	3.8	182	2.7	121	1.9	119	1.4	150	1.5
Austria	15	0.6	19	0.4	20	0.4	15	0.2	19	0.3	16	0.2	17	0.2
Bahrain	3	0.1	3	0.1	5	0.1	9	0.1	6	0.1	2	0.0	2	0.0
Belgium	21	0.8	50	1.2	33	0.6	22	0.3	23	0.4	36	0.4	32	0.3
Brazil	4	0.2	6	0.1	14	0.3	17	0.3	20	0.3	19	0.2	21	0.2
Bulgaria	...	...	1	0.0	1	0.0	2	0.0	2	0.0	2	0.0	2	0.0
Canada	59	2.3	64	1.5	62	1.2	65	1.0	86	1.3	109	1.3	172	1.7
Chile	2	0.1	4	0.1	6	0.1	12	0.2	7	0.1	8	0.1	9	0.1
China	1	0.0	9	0.2	20	0.4	44	0.7	73	1.1	136	1.6	153	1.6
Chinese Taipei	9	0.3	16	0.4	18	0.4	26	0.4	27	0.4	30	0.4	33	0.3
Colombia	1	0.0	2	0.0	3	0.1	3	0.0	4	0.1	4	0.0	5	0.1
Czech Republic	2	0.1	5	0.1	5	0.1	5	0.1	4	0.1	7	0.1	6	0.1
Denmark	42	1.6	88	2.1	120	2.4	117	1.8	101	1.5	63	0.8	83	0.8
Estonia	0	0.0	1	0.0	1	0.0	0	0.0	...	...	...	...	...	...
Finland	2	0.1	8	0.2	31	0.6	15	0.2	14	0.2	7	0.1	8	0.1
France	67	2.6	127	3.0	152	3.0	190	2.8	181	2.8	167	2.0	214	2.2
Germany	120	4.6	101	2.4	109	2.2	111	1.7	116	1.8	124	1.5	184	1.9
Greece	4	0.2	5	0.1	5	0.1	3	0.0	1	0.0	1	0.0	1	0.0
Hong Kong	106	4.1	181	4.2	238	4.7	275	4.1	437	6.7	632	7.6	694	7.0
Hungary	3	0.1	7	0.2	4	0.1	4	0.1	3	0.1	4	0.0	6	0.1
India	7	0.3	38	0.9	27	0.5	31	0.5	34	0.5	40	0.5	53	0.5
Indonesia	2	0.1	3	0.1	3	0.1	5	0.1	5	0.1	7	0.1	12	0.1
Ireland	7	0.3	11	0.3	15	0.3	11	0.2	2	0.0	7	0.1	...	...
Israel	5	0.2	8	0.2	10	0.2	8	0.1	8	0.1	7	0.1	8	0.1
Italy	23	0.9	38	0.9	29	0.6	24	0.4	18	0.3	19	0.2	19	0.2
Japan	207	7.9	250	5.8	312	6.2	374	5.6	399	6.1	376	4.5	433	4.4
Korea	21	0.8	35	0.8	44	0.9	48	0.7	48	0.7	55	0.7	68	0.7
Latvia	2	0.1	3	0.1	2	0.0	2	0.0	1	0.0	0	0.0	0	0.0
Lithuania	1	0.0	1	0.0	1	0.0	1	0.0	0	0.0	0	0.0	0	0.0
Luxembourg	15	0.6	44	1.0	33	0.7	51	0.8	37	0.6	58	0.7	92	0.9
Malaysia	2	0.1	3	0.1	7	0.1	11	0.2	8	0.1	12	0.1	16	0.2
Mexico	15	0.6	15	0.4	17	0.3	32	0.5	20	0.3	20	0.2	19	0.2
Netherlands	52	2.0	25	0.6	18	0.4	112	1.7	85	1.3	64	0.8	74	0.8
New Zealand	7	0.3	13	0.3	9	0.2	12	0.2	10	0.2	9	0.1	11	0.1
Norway	14	0.5	32	0.7	22	0.4	21	0.3	40	0.6	30	0.4	24	0.2
Peru	0	0.0	1	0.0	1	0.0	2	0.0	1	0.0	2	0.0	2	0.0
Philippines	1	0.0	2	0.0	5	0.1	4	0.1	3	0.0	4	0.0	...	...
Poland	7	0.3	9	0.2	8	0.2	8	0.1	9	0.1	9	0.1	13	0.1
Portugal	2	0.1	4	0.1	4	0.1	4	0.1	2	0.0	2	0.0	1	0.0
Romania	...	...	3	0.1	3	0.1	3	0.1	3	0.0	2	0.0	3	0.0
Russia	30	1.2	50	1.2	42	0.8	61	0.9	45	0.7	47	0.6	...	...
Saudi Arabia	2	0.1	4	0.1	8	0.1	7	0.1	8	0.1	6	0.1	6	0.1
Singapore	134	5.1	242	5.7	266	5.3	383	5.7	517	7.9	640	7.7	929	9.4
Slovakia	2	0.1	3	0.1	0	0.0	1	0.0	2	0.0	1	0.0	0	0.0
Slovenia	0	0.0	0	0.0	...	...	...	...	...	...	...	...	...	...
South Africa	10	0.4	14	0.3	14	0.3	21	0.3	21	0.3	20	0.2	16	0.2
Spain	14	0.5	17	0.4	29	0.6	43	0.6	33	0.5	28	0.3	39	0.4
Sweden	32	1.2	44	1.0	45	0.9	44	0.7	42	0.6	37	0.4	42	0.4
Switzerland	85	3.3	254	5.9	249	4.9	216	3.2	156	2.4	264	3.2	350	3.6
Thailand	3	0.1	6	0.1	7	0.1	13	0.2	11	0.2	14	0.2	15	0.2
Turkey	3	0.1	4	0.1	17	0.3	27	0.4	22	0.3	19	0.2	18	0.2
United Arab Emirates	...	...	...	...	...	...	...	...	...	...	46	0.6	66	0.7
United Kingdom	835	32.0	1483	34.6	1,854	36.7	2,726	40.8	2,406	36.9	3,576	43.2	3,755	38.1
United States	499	19.1	745	17.4	904	17.9	1,263	18.9	1,272	19.5	1,370	17	1,912	19.4
Total	2,608	100	4,281	100	5,045	100	6,686	100	6,514	100	8,280	100	9,848	100

Source: Bank for International Settlements.

Note: Daily average during April, amount adjusted for local inter-dealer double-counting (i.e. “net-gross” basis).

*Revised data.

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II. Relevant aspects of the local trading volume

The tables below contain data collected by Banco de México from the local foreign exchange and interest rate derivatives markets, which was provided to the BIS as part of the Triennial Survey. The amounts shown represent daily averages expressed in millions of US dollars⁶.

In order to gather information for the global survey, twenty financial institutions in Mexico contributed to the compilation of the data. These institutions have the highest participation in the domestic foreign exchange market and together represent 94% of the local activity. The survey shows that in April 2022 daily turnover for Mexican peso transactions was USD 20.903 billion, which represents a 1% decrease relative to 2019 (Table 3). Daily average turnover in spot transactions increased 5%, turnover in outright forwards increased 10%, while turnover in FX swaps decreased 5%. Similar to the trend observed in the latest surveys, around 98% of the Mexican peso transactions were against the US dollar.

Additionally, local market participants reported a daily turnover for US dollar transactions, against currencies other than the Mexican peso, of USD 618 million (Table 4).

Table 3: Foreign exchange turnover. Mexican peso against other currencies

Instruments	Foreign exchange contracts ¹							
	Average daily turnover (April 2022)							
	US dollar (millions)							
	MXN against							
	USD	EUR	JPY	GBP	CHF	CAD	OTHER	TOT
Spot ²	7,540	210	3	23	9	16	2	7,803
Forwards ³	947	16	0	0	0	0	0	964
FX Swaps ⁴	11,386	155	1	19	6	17	1	11,584
Currency Swaps ⁵	175	0	0	0	0	0	1	176
Options ⁶	366	10	0	0	0	0	0	376

¹ All OTC transactions involving exposures in more than one currency in exchange rate or interest rate operations.

² Simple spot settlement transactions. Includes same day and 24-hour transactions. Excludes "tomorrow/next day" transactions and settlements after 48 hours

³ Simple transactions for settlement after 48 hours.

⁴ Operations involving both buy and sell transactions. Each part of the swap is not considered as a separate independent trade. Includes "tomorrow/next day" transactions.

⁵ Cross currency swaps are agreements between two parties to exchange interest payments and principal on loans denominated in two different currencies. Each part of the swap is not considered as a separate independent trade.

⁶ OTC options are agreements that offer the buyer the right, but not the obligation, to buy or sell a currency at a determined exchange rate and term. It can include currency warrants and multicurrency swaptions. Note: Amount not adjusted for local and cross-border inter-dealer double-counting (i.e. "gross-gross" basis). The abbreviations are defined as follows: MXN=Mexican peso, USD=US dollar, EUR=Euro, JPY=Japanese yen, GBP=Pound sterling, CHF=Swiss franc, and CAD=Canadian dollar.

⁶ The methodology used is available at the following link: https://www.bis.org/statistics/triennialrep/guidelines_cbanks.htm

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Table 4: Foreign exchange turnover. US dollar against currencies other than the Mexican peso.

Foreign exchange contracts ¹
Average daily turnover (April 2022)
US dollar (millions)

Instrument	USD against currencies different than MXN					
	EUR	JPY	GBP	CHF	OTHER	TOT
Spot ²	124	7	141	1	68	341
Forwards ³	23	16	11	0	94	143
FX Swaps ⁴	58	0	0	0	1	59
Currency Swaps ⁵	0	0	0	0	1	1
Options ⁶	4	0	0	63	6	73

¹ All OTC transactions involving exposures in more than one currency in exchange rate or interest rate operations.

² Simple spot settlement transactions. Includes same day and 24-hour transactions. Excludes "tomorrow/next day" transactions and settlements after 48 hours

³ Simple transactions for settlement after 48 hours.

⁴ Operations involving both buy and sell transaction. Each part of the swap is not considered as a separate independent trade. Includes "tomorrow/next day" transactions.

⁵ Cross currency swaps are agreements between two parties to exchange interest payments and principal on loans denominated in two different currencies. Each part of the swap is not considered as a separate independent trade.

⁶ OTC options are agreements that offer the buyer the right, but not the obligation, to buy or sell a currency at a determined exchange rate and term. It can include currency warrants and multicurrency swaptions.

Note: Amount not adjusted for local and cross-border inter-dealer double-counting (i.e. "gross-gross" basis). The abbreviations are defined as follows: MXN=Mexican peso, USD=US dollar, EUR=Euro, JPY=Japanese yen, GBP=sterling pound and CHF=Swiss franc.

Finally, turnover involving single currency interest rate derivatives increased substantially in the last three years. Interest rate swaps continue to represent the largest share of daily turnover, with operations amounting to USD 6.524 billion, which compares to USD 1.822 billion in 2019 (Table 5).

Table 5: OTC Options and Interest Rate Swaps. Single currency

Single currency interest rate derivatives ¹
Average daily volume (April 2022)
US dollar (millions)

Instruments	MXN	USD	OTHER	TOTAL
OTC options ²	48	11	0	60
Interest rate swaps ³	6,085	424	15	6,524

¹ All OTC transactions involving exposures to interest rate denominated in a single currency. Includes "fixed for floating rate" and "floating for floating rate" agreements.

² OTC options are agreements that give the buyer the right, but not the obligation, to pay or receive an interest rate on a determined notional amount at a determined time.

³ Agreements that commit the counterparties to the exchange of interest rate flows; it may be fixed for floating or floating versus floating. Each part of the swap is not considered as separate independent trades. Note: Amount not adjusted for local and cross-border inter-dealer double-counting (i.e. "gross-gross" basis). Abbreviations are defined as follows: MXN= Mexican peso and USD=US dollar.