



# AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

## Minutes of September 2024 Meeting

Thursday 12 September 2024

### Attendees

Christopher Kent, RBA (Chair)  
Chris Knight, ACI Australia  
Damian Jeffree, AFMA  
Luke Marriott, ANZ  
Andrew Fielding, Australian Super  
Winnie Tan, Bank of China  
Anthony Kritikides, CBA  
Aaron Ng, Citigroup  
Simon Watkin, CME Group  
Darren Boulos, Deutsche  
Scott Sloman, Goldman Sachs  
Will Richardson, Macquarie Bank  
Heath Moody, National Australia Bank  
Stuart Simmons, QIC  
Daniel Guille, Refinitiv/LSEG  
Gareth Taylor, Westpac

### Apologies

Jeremy Carr, Suncorp

### Secretariat

Matthew Boge, RBA (Secretary)  
Jason Griffin, RBA

## **1. Welcome and Competition Guidelines**

The Chair reminded attendees that the meeting would be conducted in line with the RBA's [Competition Law Guidance](#).

## **2. Global Foreign Exchange Committee (GFXC) Meeting**

Luke Marriott (ANZ) provided members with a summary of the GFXC meeting he attended on behalf of the AFXC in Frankfurt in July. He noted Stuart Simmons (QIC) had been formally endorsed as the Co-Vice Chair of the GFXC. He discussed the work the GFXC had done on Code adherence and broader outreach, noting the GFXC had launched a new website. Meeting participants had also discussed the recent implementation of T+1 securities settlement in North America and its impact on foreign exchange markets.

## **3. GFXC Review of FX Global Code**

The Secretary outlined the timeline for the GFXC's review of the FX Global Code. By Monday 16 September, the AFXC and other member FXCs were due to submit feedback on the GFXC working groups' proposed changes to the Code and the GFXC's Disclosure Cover Sheets. Following a public consultation in October, working groups would finalise their proposals ahead of the GFXC meeting in early December.

Stuart Simmons (QIC), who is co-leading the FX Data working group, noted that this work had been broken into two streams: delegated execution, and the use of FX data generated by client activity on electronic venues. At the recent GFXC meeting, it was concluded that it would not be feasible to have the Code describe those conducting delegated execution as a separate type of market participant. Instead, the focus would be on ensuring that the activities falling under delegated execution were appropriately captured in the Code. Separately, the workstream focussing on the use of 'FX data generated by clients' had proposed some additional text for Principle 9 of the Code and the addition of new fields on the relevant Disclosure Cover Sheets.

The FX Settlement Risk working group wished to further promote use of stronger settlement methods by strengthening the guidance in the Code.

The proposed changes generated little discussion in the AFXC meeting. Although the AFXC Secretariat had received some written feedback ahead of the meeting, it was noted that members still had until 16 September to make further submissions to be passed onto the GFXC Secretariat.

## **4. Recent Trading Conditions in Foreign Exchange markets**

Members discussed conditions in foreign exchange (FX) markets during the financial market volatility in early August, which had seen global equity markets decline and carry trades funded by Japanese yen unwind. The adjustment of FX positions was sharpest on Monday 5 August and saw top-of-book bid-offer spreads widen in USD/YEN and AUD/USD (from around 1 pip to 4 – 5 pips), but this quickly stabilised and reversed intraday. Members discussed the fact that the aggregate size of carry trade positions, particularly from hedge funds, was difficult to determine in real time.

On 5 August, FX basis markets also showed a widening of 6 to 8 basis points. This reflected US dollar funding tightness, particularly against the yen. Members noted that this trend was also quick to reverse, with half of this move unwound on the same day.

Overall, members noted market conditions had been quick to normalise in this episode, especially when compared to prior stress events in global markets.

## **5. Other Business**

The next AFXC meeting will be held in late November to review the final proposals from the GFXC working groups.

**Australian Foreign Exchange Committee  
September 2024**