



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

June 2025 Meeting

Monday 30 June 2025

Attendees

Christopher Kent, RBA (Chair)
Chris Howlett, ACI Australia
Damian Jeffree, AFMA
Luke Marriott, ANZ
Winnie Tan, Bank of China
Anthony Kritikides, CBA
Heath Moody, National Australia Bank
Stuart Simmons, QIC
Jeremy Carr, Suncorp

Apologies

Jason Griffin, RBA
Simon Watkin, CME Group
Will Richardson, Macquarie Bank
Aaron Ng, Citigroup
Darren Boulos, Deutsche
Scott Sloman, Goldman Sachs
Andrew Fielding, Australian Super
Gareth Taylor, Westpac
Daniel Guille, Refinitiv/LSEG
Deirdre Williams, BHP Billiton

Guests

Matthew Carter, RBA

Secretariat

Matthew Boge, RBA (Secretary)

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. Recent Market Conditions

Luke Marriott (ANZ) provided members with a market summary. In general, conditions in FX markets had been relatively stable with continuous price action and ample liquidity, outside of a few brief periods in early April following the 'Liberation Day' tariff announcements by the US administration and subsequent retaliatory tariffs. During these periods, top-of-book spreads in the spot FX market widened, there was a spike in volatility (which was reflected in options market pricing), and interbank trading volumes increased.

Members also discussed the implications of recent USD weakness on the hedge ratios for Australian superannuation funds and asset managers. It was acknowledged that visibility around hedge ratios in Australia is poor and there is no timely data; while APRA publishes aggregate data on super funds' hedge ratios, there is a lag of around one quarter and changing methodologies over time have resulted in series breaks in the data. Anecdotally, it was noted that asset managers are moving slowly and have not overcommitted to a theme of broader USD weakness.

3. Global Foreign Exchange Committee (GFXC) Work Agenda

Stuart Simmons (QIC), who co-leads the GFXC's FX Data Working Group, provided an update on the group's work around assessing the availability and use of reference rates for FX swaps (forwards). The working group has concluded that there is adequate data available for market participants to seek out, which can be used for purposes such as transaction cost analysis, end-of-day valuations, or to validate a price at a point in time.

The FX Settlement Risk working group is writing a discussion paper about the impact of accelerated securities settlement in FX ahead of the European market switching to t+1 settlement in 2027 (following the move in the US last year). The group is also focussed on obtaining data on settlement methods. The main channel is central bank data via the BIS triennial survey (which was collected in April) and the working group will conduct analysis alongside the BIS, with a report expected to be published in December.

Chris Howlett (ACI), a member of the Motivations for Code Adherence working group, provided an update on the group's outreach work to different sectors of market participants. It was noted that while a large number of asset managers globally have signed up to FX Global Code, there had been little uptake from other buy-side participants, particularly the hedge fund community.

4. IOSCO Consultation on Pre-Hedging

IOSCO's draft report on pre-hedging closed for public comment in February. Ahead of finalising the report later this year, IOSCO is engaging with various industry bodies, including the GFXC. Several Australian entities have submitted feedback to IOSCO, reflecting the strong interest in the topic. Members held a general discussion on the issue of pre-hedging, including on ASIC's existing guidance on pre-hedging, with some noting they have refined and updated their pre-hedging policies in anticipation of further guidance.

5. General Business

None.

**Australian Foreign Exchange Committee
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