



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

March 2026 Meeting

Tuesday 31 March 2026

Attendees

Christopher Kent, RBA (Chair)
Chris Howlett, ACI Australia
Damian Jeffree, AFMA
Luke Marriott, ANZ
Winnie Tan, Bank of China
Anthony Kritikides, CBA
Aaron Ng, Citigroup
Simon Watkin, CME Group
Darren Boulos, Deutsche Bank
Will Richardson, Macquarie Bank
Heath Moody, National Australia Bank
Stuart Simmons, QIC
Daniel Guille, Refinitiv/LSEG
Jeremy Carr, Suncorp

Apologies

Andrew Fielding, Australian Super
Deirdre Williams, BHP Billiton
Scott Sloman, Goldman Sachs
Gareth Taylor, Westpac

Guests

Janet Dawson, GFMA

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. Presentation from GFMA's Global FX Division on 'Optimising the FX Trade Allocation Process'

A representative from the Global Financial Markets Association (GFMA) briefed the Committee on their recent whitepaper '[Optimising the FX Trade Allocation Process](#)'.

The paper highlights that in the provision of hedging and funding services, dealers' cost structures are changing. Costs and inefficiencies in the FX trade allocation process (especially for 'block trades') were identified as a source of heightened operational, credit, compliance and settlement risk. The paper provides several recommendations, focusing on communication of pre-trade allocation details to mitigate these risks.

AFXC members discussed the paper's recommendations and how they aligned with the FX Global Code. Some members thought the issue should be discussed through a risk management lens, with others noting the way forward will ultimately be a commercial decision for each institution. Furthermore, buy-side participants may prioritise improvements to the trade allocation process differently as they seek to demonstrate best execution.

3. Recent Trading Conditions in Foreign Exchange markets

The member from Deutsche Bank led the discussion on market conditions over recent months. Despite the current conflict in the Middle East, spot foreign exchange market functioning had been well behaved, with top-of-book bid-offer spreads only marginally wider, while there had been some unwinding of positions in emerging market carry trades.

In FX swap markets, it was noted there had been some precautionary demand for US dollar liquidity, although this was seen to be limited relative to previous episodes of market stress. In contrast to other major currency pairs, the AUD premium in FX swap markets had increased relative to the USD. This was because carry trades in the AUD FX basis curve had been closed out (in normal market conditions, the upward sloping nature of the AUD basis curve encourages some market participants to receive longer-dated AUD basis, funded by paying the shorter-dated AUD basis to earn carry). Members opined that these positions had been closed out by hedge funds due to losses in an array of non-FX positions that had led to a broader deleveraging of their positions.

Over the last month, financial market volatility had been more acute in short-end interest rate markets, where expectations for future central bank policy rates – particularly in Europe and the UK – had changed significantly. Volatility in the gold price was also noteworthy. Volatility in FX options had also increased, although realised volatilities were lower than option-implied volatilities.

4. Global Foreign Exchange Committee (GFXC) Work Agenda

Stuart Simmons (QIC, co-Vice Chair of GFXC), who co-leads the GFXC's FX Data Working Group, provided a brief update on the group's work, noting the group had looked into the adoption of the GFXC's Disclosure Cover Sheets and thought more work was required. The group was also looking into the availability of data for reference rates and was exploring options for freely available data.

Chris Howlett (ACI), a member of the Motivations for Code Adherence working group, briefed the Committee on a letter that the group had drafted to be sent to buy-side market participants by local foreign exchange committees (including the AFXC) as a way of promoting adherence to the FX Global Code. Members discussed the process for disseminating the letter to asset managers and other institutions within Australia.

5. General Business

Until further notice, future AFXC meetings would be conducted in person and via Microsoft Teams.

**Australian Foreign Exchange Committee
March 2026**