



SEMI-ANNUAL REPORT ON FOREIGN EXCHANGE TURNOVER

October 2006

The Semi-Annual Report on Foreign Exchange Turnover compiles data from around 40 financial institutions that are active in the Australian foreign exchange market and is drawn from the Reserve Bank of Australia's monthly turnover survey. The results for October 2006 are presented in the summary tables and charts below.

The main findings of the report are:

- Average daily turnover in traditional foreign exchange instruments (spot, outright forwards and foreign exchange swaps) in the Australian market was US\$146.3 billion in October 2006. This was a decline of 6 per cent from April 2006, but an increase of 28 per cent over the year.
- Average daily turnover in OTC options in the Australian market was US\$2.7 billion in October 2006. This was a decline of 22 per cent from April 2006, but an increase of 28 per cent over the year.
- Total average daily turnover in all foreign exchange instruments in the Australian market was US\$149.1 billion in October 2006. This was a decline of 6 per cent from April 2006, but an increase of 28 per cent over the year.

Tables 1 to 4 report summaries of foreign exchange turnover in the Australian market by instrument, counterparty and currency for October 2006, with some comparisons to April 2006. Table 5 provides the full set of data for October 2006.

For the purposes of this report, turnover is defined as the gross value of all new deals entered into during the month (regardless of whether or not settlement was made during the period) and is reported in terms of the nominal or notional amount of the contracts. Figures reflect all deals struck in Australia, irrespective of where deals are booked (i.e. data are collected on a sales desk basis). As such, survey results are comparable to the Bank for International Settlements (BIS) Triennial survey. All amounts in this report are converted to US dollars using the average AUD/USD exchange rate for the month in which data are collected.

Monthly data for selected series can be accessed at:

http://www.rba.gov.au/statistics/tables/index.html#exchange_rates

Similar semi-annual foreign exchange turnover surveys are conducted for a number of foreign exchange markets. The results of these surveys can be found at:

- Canada http://www.cfec.ca/fx_volume.html
- Singapore <http://www.sfemc.org/>
- UK <http://www.bankofengland.co.uk/markets/forex/fxjsc/index.htm>
- US <http://www.newyorkfed.org/fxc/>

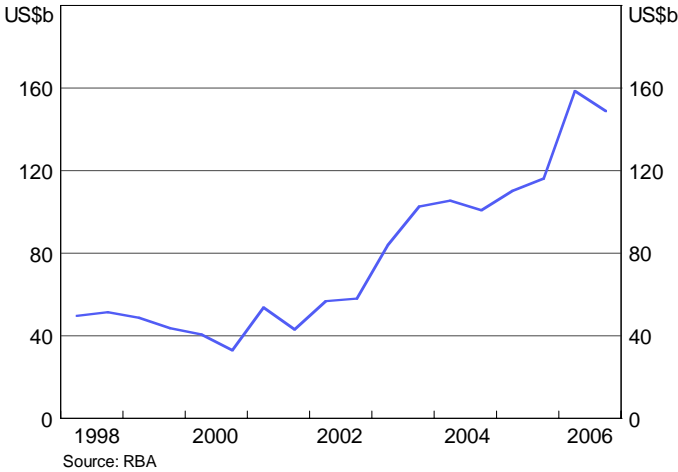
Similar annual foreign exchange turnover surveys are conducted for the following markets:

- Japan http://www.fxcomtky.com/index_e.html

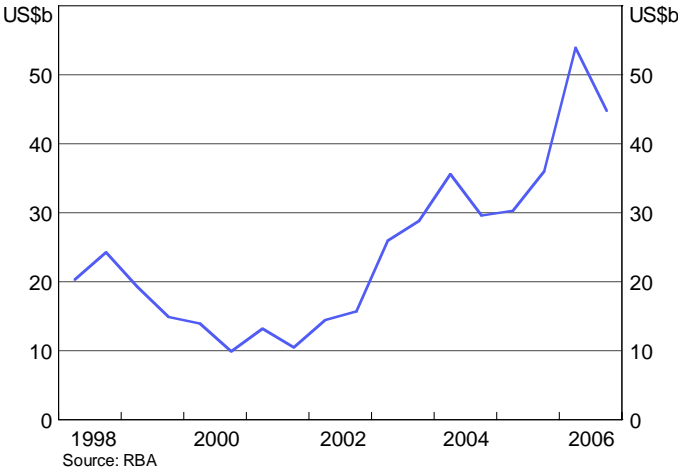
For queries regarding the RBA foreign exchange turnover survey, please contact:

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Graph 1
All FX Markets Turnover
Daily average

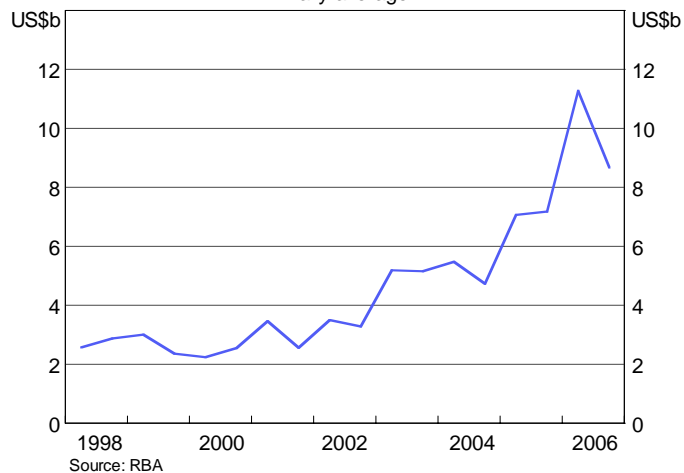


Graph 2
Outright Spot Turnover
Daily average



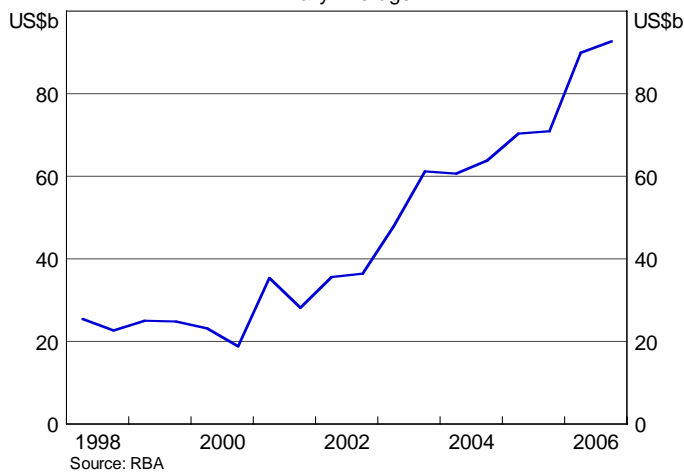
Graph 3
Outright Forwards Turnover

Daily average



Graph 4
FX Swaps Turnover

Daily Average



Graph 5
OTC Options Turnover

Daily Average

