



EUROJÄRJESTELMÄ
EUROSYSTEMET

Lehdistötiedote
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Press release

1 September 2010

Survey carried out in Finland of foreign exchange and derivatives market activity, spring 2010

Every three years, the Bank for International Settlements (BIS) carries out a survey of national foreign exchange and derivatives markets in order to determine the size and structure of foreign exchange and derivatives markets globally. The Bank of Finland conducted the part of the survey covering financial institutions operating in Finland. These were asked to provide data on their transactions in FX and OTC derivative contracts in April 2010. Data on derivatives covered over-the-counter (OTC) markets. The data was requested in US dollars. The results obtained now have been adjusted to eliminate double counting of transactions between financial institutions operating in Finland. BIS will publish the results for global turnover simultaneously on 1 September 2010.

Threefold increase in turnover in FX and OTC derivatives since 2007

In April 2010, the average daily nominal amount of FX and OTC derivatives transactions carried out by financial institutions operating in Finland was USD 32.6 billion, a threefold increase on April 2007. This was due to an expansion of turnover in currency transactions and particularly foreign exchange swaps. Spot transactions increased only slightly. The daily turnover for interest rate derivatives contracted from USD 3 billion to a good USD 1 billion, due primarily to a decline in the turnover for interest rate swaps and OTC interest rate options.

Daily FX turnover totalled USD 31.2 billion, of which FX swaps accounted for 97%. The turnover for FX derivatives (currency swaps and OTC options) was in relative terms very modest. The share of currency transactions with euro area residents increased from 25% to 90%.

The daily turnover for interest rate derivatives dropped to USD 1.3 billion. Looking at a breakdown by instrument, interest rate swaps, forward rate agreements and OTC interest rate options accounted for 71%, 6% and 23% of total daily turnover, respectively. The euro area's share of the total turnover for interest rate derivatives grew from 17% to 55%.

The euro was one of the currencies involved in 70% of transactions, a slight decrease since 2007. The euro/US dollar was the most frequently transacted currency pair, maintaining its share of transactions unchanged and accounting for about a third of total turnover. The euro was also by far the most important trading currency in interest rate derivative transactions, where its share was 56%.

Finnish financial institutions' counterparty most often a foreign financial institution

Financial institutions operating in Finland carried out 94% of their FX transactions with financial institutions operating abroad as counterparties. The share has grown by 21 percentage points from 2007. Correspondingly, the share of domestic companies acting as counterparties has shrunk by 18 percentage points to 4%. In interest rate derivatives, the share of financial institutions operating abroad was 74%. Of counterparties operating in Finland, the share of financial institutions was 13% and that of companies 12%.

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This press release is also available on the Bank of Finland's website at

http://www.bof.fi/en/julkaisut/tilastojulkaisut/index_old.htm.

The press release by BIS, which contains the results of the global survey, can be accessed from the BIS website at <http://www.bis.org/publ/rpfx10.htm>

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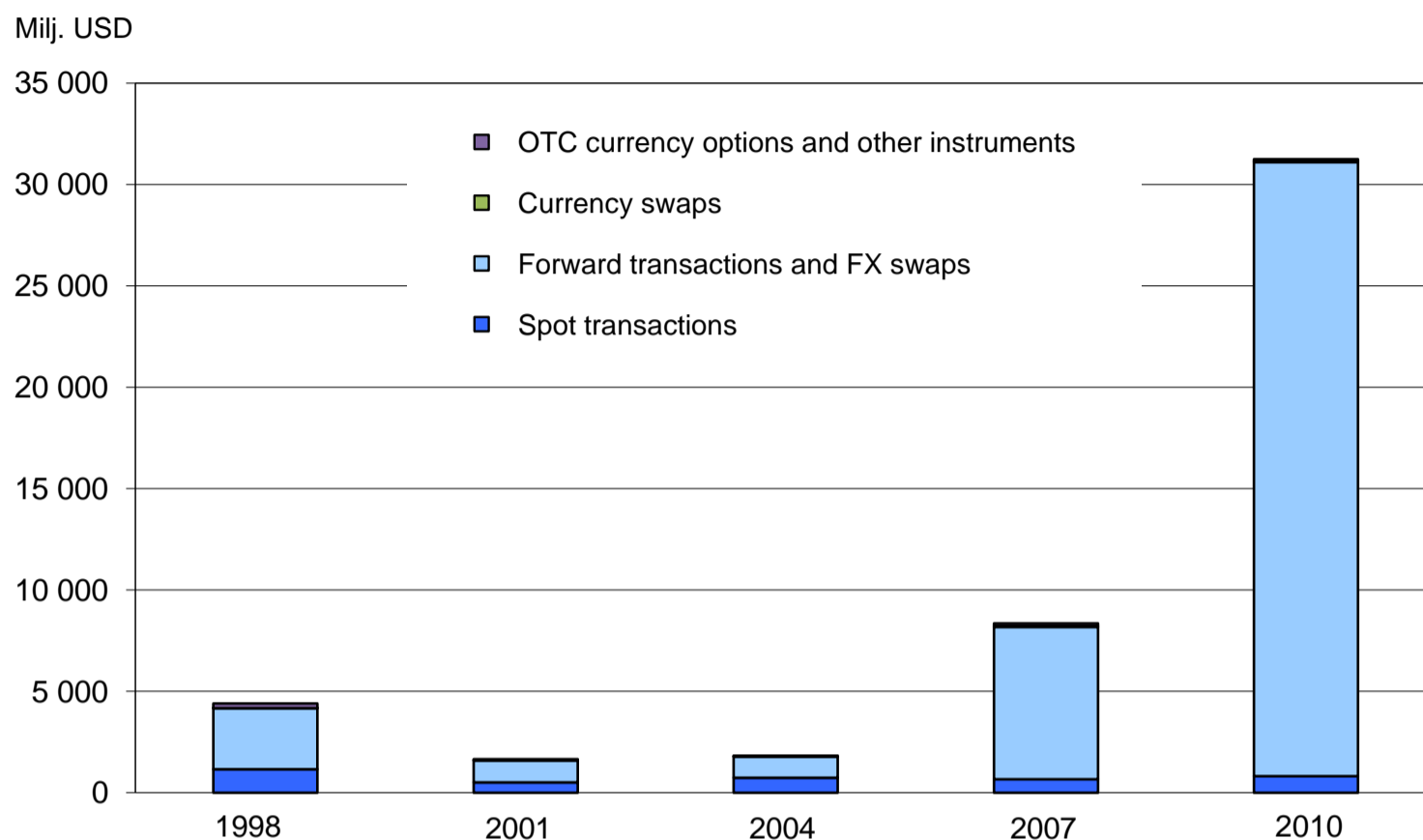
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Turnover in FX markets in April 1998, 2001, 2004, 2007 and 2010 (Average daily turnover, USDm)



FX and OTC derivatives markets in Finland (Average daily turnover, USDm)

	April 1998	April 2001	April 2004	April 2007	April 2010
A. FX instruments	4 412	1 656	1 832	8 346	31 254
Spot transactions	1 156	503	743	671	816
Forward transactions and FX swaps	3 015	1 093	1 038	7 503	30 289
Currency swaps	13	3	1	47	73
OTC currency options and other instruments	226	57	50	125	76
B. Interest rate derivatives	2 120	513	267	3 025	1 327
FRAs	1 781	30	43	162	80
Interest rate swaps	331	328	209	1 963	948
OTC interest rate options and other instruments	8	156	15	900	299
C. Total (A + B)	6 532	2 169	2 099	11 371	32 581

AVERAGE DAILY TURNOVER IN FX MARKETS BY CURRENCY, APRIL 2010, USDm

	Total	EUR USD	EUR GBP	EUR other	USD JPY	Other pairs
Total turnover	31 254	9 859	563	11 190	188	9 454
Share, %	100 %	32 %	2 %	36 %	1 %	30 %
of which						
FX swaps	29 827	9 293	497	10 514	185	9 338
spot transactions	816	338	39	360	3	76
forward transactions	462	182	26	231	0	23
OTC currency options	76	46	1	27	0	2
currency swaps	73	0	0	58	0	15

AVERAGE DAILY TURNOVER IN FX MARKETS BY COUNTERPARTY, APRIL 2010 AND APRIL 2007, USDm

	Financial institutions				Nonfinancial companies			
	Resident		Nonresident		Resident		Nonresident	
	2010	2007	2010	2007	2010	2007	2010	2007
FX swaps	29	273	28 787	5 559	579	1 258	432	32
Spot transactions	53	76	462	447	240	147	61	2
Forward transactions	26	24	21	50	290	286	125	20
OTC currency options	0	0	30	4	37	119	9	2
Currency swaps	6	7	67	13	0	26	0	0
Total	114	380	29 367	6 073	1 146	1 837	627	56
Share, %	0 %	5 %	94 %	73 %	4 %	22 %	2 %	1 %

AVERAGE DAILY TURNOVER FOR INTEREST RATE DERIVATIVES BY CURRENCY, APRIL 2010, USDm

	Total	EUR	SEK	USD	Other
Total turnover	1 327	738	11	153	425
Share, %	100 %	56 %	1 %	11 %	32 %
of which					
FRAs	80	67	0	0	13
interest rate swaps	948	520	10	22	396
OTC interest rate options	299	151	1	131	16

AVERAGE DAILY TURNOVER FOR INTEREST RATE DERIVATIVES BY COUNTERPARTY, APRIL 2010 AND APRIL 2007, USDm

	Financial institutions				Nonfinancial companies			
	Resident		Nonresident		Resident		Nonresident	
	2010	2007	2010	2007	2010	2007	2010	2007
FRAs	0	88	78	59	0	16	2	0
Interest rate swaps	168	71	641	1 849	138	43	1	0
OTC interest rate options	6	133	264	763	27	4	2	0
Total	174	292	983	2 671	165	63	5	0
Share, %	13 %	10 %	74 %	88 %	12 %	2 %	0 %	0 %

FX AND DERIVATIVES TRANSACTIONS WITH EURO AREA RESIDENTS (INCL. FINLAND) IN APRIL 2010 AND APRIL 2007, USDm and %

	2010		2007	
	USDm	% ¹	USDm	% ¹
Traditional FX instruments	28 142	90 %	2 053	25 %
FX derivatives	55	37 %	125	73 %
Interest rate derivatives	726	55 %	502	17 %
Total	28 923	89 %	2 679	24 %

¹ As a percentage of all transactions