

## PRESS RELEASE

### **Central Bank Survey of Foreign Exchange and Derivatives Market Activity in April 2022: Turnover Data, Japan**

#### **I. Outline of Survey**

In April 2022, the Bank of Japan conducted the triennial turnover survey for foreign exchange and over-the-counter (OTC) derivatives market activity in Japan. This survey comprises a part of the Triennial Central Bank Survey coordinated by the Bank for International Settlements (BIS).<sup>1</sup>

The Bank of Japan obtained data from 37 financial institutions; consisting of 12 Japanese banks, 16 foreign banks, two Japanese securities houses, and seven foreign securities houses.<sup>2</sup>

In this survey, foreign exchange market activity is classified into five instrument types, while OTC interest rate derivatives market activity is classified into three instrument types.<sup>3</sup> They are further broken down by currency, counterparty, and location of counterparties (local or cross-border).

The global results, aggregated from data collected from participating central banks and monetary authorities, are released by the BIS. The global results are available at the BIS website (<https://www.bis.org/statistics/rpfx22.htm>).

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<sup>1</sup> The BIS started conducting global surveys for foreign exchange market activity and derivatives market activity in 1986 and 1995, respectively.

<sup>2</sup> The survey in April 2022 was conducted by central banks and monetary authorities of 52 countries and regions with data from more than 1,200 reporting institutions in total. Participating countries and regions are listed in Annex 3.

<sup>3</sup> Classification of market activities in this article is as follows. Foreign exchange market activity includes spot transactions, outright forwards, foreign exchange swaps (FX swaps), currency swaps, and OTC options. OTC interest rate derivatives market activity includes forward rate agreements (FRAs), interest rate swaps (with decomposition into overnight index swaps [OISs] and other swaps from the April 2019 survey), and interest rate options. Until the April 2010 survey, currency swaps and OTC options were surveyed together with OTC interest rate derivatives.

## II. Highlights from the Japanese Turnover Results (Annex 1)<sup>4</sup>

### A. Foreign Exchange Market Activity: Total of Spot, Outright Forwards, FX Swaps, Currency Swaps, and OTC Options

- Average daily turnover of the foreign exchange market in Japan in April 2022 was USD 432.5 billion, increasing by 15.2 percent from the previous survey (Table 1).
- By type of instrument, spot transactions increased significantly by 52.4 percent (Table 1).
- By counterparty, turnover of transactions with financial institutions and non-financial customers increased by 12.7 percent and 54.8 percent, respectively. Meanwhile, that of retail-driven transactions increased by 15.5 percent, while that of prime-brokered transactions decreased 28.8 percent (Table 2).
- Inter-dealer transactions accounted for 73.6 percent of total turnover of transactions with financial institutions (Table 3).
- By currency, turnover of the USD and the JPY increased by 22.0 percent and 20.9 percent, respectively, while that of the EUR and the GBP decreased by 19.2 percent and 22.4 percent, respectively (Table 4).
- By currency pair, turnover of the USD/JPY increased by 31.4 percent, while that of the EUR/USD and the EUR/JPY decreased by 20.2 percent and 17.9 percent, respectively (Table 5).
- By execution method, the share of electronic transactions increased by 6.1 percentage points, while that of voice transactions decreased by 7.4 percentage points (Table 6).
- The shares held by top 10 institutions increased by 1.2 percentage points, while that by top 20 institutions decreased by 1.1 percentage points (Table 7).
- By settlement method, the share of netting was 21.1 percent, that of payment versus payment (PvP) basis was 47.9 percent, and that of Non-PvP basis was 31.0 percent (Table 8).

### B. OTC Interest Rate Derivatives Market Activity: Total of FRAs, Interest Rate Swaps, and Interest Rate Options

- Average daily turnover of the OTC interest rate derivatives contracts in Japan in April 2022 was USD 50.7 billion, decreasing by 32.1 percent from the previous survey (Table 9).
- By type of instrument, turnover of FRAs, interest rate swaps, and interest rate options decreased by 75.6 percent, 30.1 percent, and 55.1 percent, respectively (Table 9).
- By counterparty, turnover of transactions with financial institutions decreased by 30.1 percent (Table 10).

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<sup>4</sup> Careful attention should be paid when conducting intertemporal comparisons given the changes in coverage and definition as well as exchange rate developments over time.

- By currency, turnover of the JPY decreased by 51.0 percent (Table 11).
- The share held by top 10 institutions increased by 1.7 percentage points (Table 12).

### III. Evaluation of Japanese Turnover Results with respect to Global Results (Annex 2)

- Global foreign exchange turnover increased by 14.1 percent from the previous survey. Although Japan continued to be ranked as the fifth largest market in the world, its share in the global market slightly decreased from 4.5 percent to 4.4 percent.
- Global OTC interest rate derivatives contracts turnover decreased by 18.8 percent from the previous survey. Japan stepped down from being the eighth largest market to the ninth and its share in the global market slightly decreased from 1.0 percent to 0.9 percent.

Data for this publication are available at the Bank of Japan website (<https://www.boj.or.jp/en/statistics/bis/deri/deri2204.htm>).

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A. Tables on Foreign Exchange Market Activities in Japan: Total of Spot, Outright Forwards, FX Swaps, Currency Swaps, and OTC Options

Table 1 Breakdown by Counterparty and Instrument<sup>1</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
With financial institutions	366.6 <100.0>	+ 17.8	353.2 <100.0>	- 3.6	398.0 <100.0>	+ 12.7
Spot	98.4 <26.8>	- 15.4	90.6 <25.6>	- 7.9	131.2 <33.0>	+ 44.9
Outright forwards	54.8 <15.0>	+ 77.1	56.9 <16.1>	+ 3.7	54.7 <13.8>	- 3.7
FX swaps	197.6 <53.9>	+ 29.8	189.5 <53.7>	- 4.1	197.2 <49.5>	+ 4.0
Currency swaps	5.6 <1.5>	- 8.0	5.9 <1.7>	+ 5.4	4.1 <1.0>	- 29.6
OTC options	10.2 <2.8>	+ 85.2	10.3 <2.9>	+ 1.9	10.7 <2.7>	+ 3.9
With non-financial customers	32.5 <100.0>	- 48.6	22.3 <100.0>	- 31.3	34.5 <100.0>	+ 54.8
Spot	11.6 <35.6>	- 71.3	7.0 <31.6>	- 39.0	17.5 <50.7>	+ 148.5
Outright forwards	7.8 <24.1>	+ 84.3	4.3 <19.1>	- 45.5	7.7 <22.2>	+ 79.3
FX swaps	8.1 <25.0>	- 53.2	5.7 <25.7>	- 29.3	7.7 <22.3>	+ 34.3
Currency swaps	0.2 <0.8>	- 27.8	0.2 <0.9>	- 23.8	0.3 <0.9>	+ 67.8
OTC options	4.7 <14.6>	+ 405.4	5.1 <22.7>	+ 7.0	1.4 <3.9>	- 73.3
Total	399.0 <100.0>	+ 6.6	375.5 <100.0>	- 5.9	432.5 <100.0>	+ 15.2
Spot	109.9 <27.5>	- 29.8	97.6 <26.0>	- 11.2	148.7 <34.4>	+ 52.4
Outright forwards	62.7 <15.7>	+ 77.9	61.1 <16.3>	- 2.5	62.4 <14.4>	+ 2.1
FX swaps	205.7 <51.6>	+ 21.3	195.3 <52.0>	- 5.1	204.9 <47.4>	+ 4.9
Currency swaps	5.8 <1.5>	- 9.1	6.0 <1.6>	+ 4.1	4.4 <1.0>	- 26.5
OTC options	14.9 <3.7>	+ 132.0	15.4 <4.1>	+ 3.6	12.1 <2.8>	- 21.5

Note: 1. Figures in parentheses represent percentages of the total.

Table 2 Breakdown by Counterparty and Counterparty Location<sup>1</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
With financial institutions	366.6 <91.9>	+ 17.8	353.2 <94.1>	- 3.6	398.0 <92.0>	+ 12.7
Local <sup>2</sup>	116.4 <29.2>	+ 57.2	117.0 <31.2>	+ 0.5	163.3 <37.7>	+ 39.6
Cross-border <sup>3</sup>	250.1 <62.7>	+ 5.5	236.2 <62.9>	- 5.6	234.7 <54.3>	- 0.6
With non-financial customers	32.5 <8.1>	- 48.6	22.3 <5.9>	- 31.3	34.5 <8.0>	+ 54.8
Local	30.8 <7.7>	- 50.9	20.8 <5.5>	- 32.4	33.7 <7.8>	+ 62.0
Cross-border	1.6 <0.4>	+ 317.6	1.5 <0.4>	- 10.5	0.8 <0.2>	- 46.7
Total	399.0 <100.0>	+ 6.6	375.5 <100.0>	- 5.9	432.5 <100.0>	+ 15.2
Local	147.2 <36.9>	+ 7.6	137.8 <36.7>	- 6.4	197.0 <45.5>	+ 43.0
Cross-border	251.8 <63.1>	+ 6.1	237.7 <63.3>	- 5.6	235.5 <54.5>	- 0.9
Of which: Prime brokered	14.7	- 37.9	19.5	+ 32.4	13.9	- 28.8
Of which: Retail-driven	26.0	- 34.7	35.5	+ 36.6	41.0	+ 15.5

Notes: 1. Figures in parentheses represent percentages of the total.

2. "Local" denotes transactions between reporting financial institutions and residents.

3. "Cross-border" denotes transactions with non-residents.

Table 3 Breakdown of Share by Counterparty

Percent, percentage points

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
With financial institutions	91.9	+ 8.7	94.1	+ 2.2	92.0	- 2.0
Inter-dealer transactions	75.9	+ 1.2	71.8	- 4.1	73.6	+ 1.8
Institutional investors	9.0	+ 1.7	12.0	+ 3.0	9.7	- 2.3
Hedge funds and proprietary trading firms	0.7	+ 0.5	1.4	+ 0.7	0.3	- 1.1
Official sector financial institutions	1.1	+ 0.9	0.2	- 0.9	0.3	+ 0.1
Others	5.1	+ 4.5	8.7	+ 3.5	8.1	- 0.5
With non-financial customers	8.1	- 8.7	5.9	- 2.2	8.0	+ 2.0
Total	100.0		100.0		100.0	

Table 4 Breakdown by Currency<sup>1,2</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
USD	327.3 <41.0>	+ 10.1	285.6 <38.0>	- 12.7	348.4 <40.3>	+ 22.0
JPY	316.0 <39.6>	+ 11.9	292.3 <38.9>	- 7.5	353.4 <40.9>	+ 20.9
EUR	58.7 <7.4>	- 20.0	74.6 <9.9>	+ 27.2	60.3 <7.0>	- 19.2
GBP	27.6 <3.5>	+ 19.5	25.9 <3.4>	- 6.3	20.1 <2.3>	- 22.4
Others	68.5 <8.6>	- 5.3	72.6 <9.7>	+ 6.0	82.8 <9.6>	+ 14.1
Total	798.1 <100.0>	+ 6.6	751.0 <100.0>	- 5.9	865.1 <100.0>	+ 15.2

Notes: 1. Figures in parentheses represent percentages of the total.

2. As two currencies are involved in each transaction, the sum of shares in individual currencies will total 200%.

Table 5 Breakdown by Currency Pair<sup>1</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
USD/JPY	248.5 <62.3>	+ 17.6	209.6 <55.8>	- 15.7	275.5 <63.7>	+ 31.4
EUR/USD	34.2 <8.6>	+ 1.5	34.7 <9.2>	+ 1.5	27.7 <6.4>	- 20.2
EUR/JPY	22.1 <5.5>	- 38.5	36.2 <9.6>	+ 64.0	29.7 <6.9>	- 17.9
Others	94.3 <23.6>	+ 1.1	95.0 <25.3>	+ 0.8	99.6 <23.0>	+ 4.9
Total	399.0 <100.0>	+ 6.6	375.5 <100.0>	- 5.9	432.5 <100.0>	+ 15.2

Note: 1. Figures in parentheses represent percentages of the total.

Table 6 Breakdown of Share by Execution Method

Percent, percentage points

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
Voice	48.5	+ 4.2	53.2	+ 4.7	45.8	- 7.4
Electronic	50.0	- 4.2	45.3	- 4.8	51.3	+ 6.1
Direct	32.8	+ 0.8	28.9	- 3.9	37.8	+ 8.8
Single-bank proprietary trading system	24.8	+ 5.8	21.7	- 3.1	25.6	+ 4.0
Indirect	17.2	- 5.0	16.3	- 0.9	13.6	- 2.7
Unallocated	1.5	+ 0.0	1.6	+ 0.1	2.8	+ 1.3
Total	100.0		100.0		100.0	

Table 7 Degree of Turnover Concentration among Institutions

Percent, percentage points

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
Share held by top 10 institutions	74.3	- 6.3	73.1	- 1.2	74.3	+ 1.2
Share held by top 20 institutions	95.4	+ 1.1	95.1	- 0.3	94.1	- 1.1

Table 8 Share of Transactions by Settlement Method<sup>1</sup>

• Share by Number of Payment

(percentage)

Turnover to be settled with a single payment (i.e., non-deliverable)	1.2
Turnover to be settled with two payments (i.e., spot and forwards)	51.0
Turnover to be settled with four payments (i.e., swaps)	47.7
Total	100.0

• Share by Settlement Method

(percentage)

Netting <sup>2</sup>	21.1
Payment versus payment (PvP)	47.9
Non-PvP	31.0
Total	100.0

• Share by Settlement Method (of which: CLS eligible pairs)

(percentage)

Netting <sup>2</sup>	19.7
Payment versus payment (PvP)	55.4
Non-PvP	24.8
Total	100.0

• Share of Non-PvP by Currency Pair

(percentage)

CLS eligible pairs	68.2
Non-CLS eligible pairs	31.8
Total	100.0

Notes: 1. Turnover data reported by some financial institutions include omissions.

2. The amount of payment obligations to be settled that is reduced by netting.

B. Tables on OTC Interest Rate Derivatives Market Activities in Japan: Total of FRAs,  
Interest Rate Swaps, and Interest Rate Options

Table 9 Breakdown by Instrument<sup>1</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
FRAs	0.8 <1.5>	− 69.2	0.8 <1.0>	− 7.7	0.2 <0.4>	− 75.6
Interest rate swaps	47.4 <84.7>	− 15.2	69.4 <92.9>	+ 46.5	48.5 <95.6>	− 30.1
OISs			7.0 <9.4>		26.9 <53.0>	+ 284.6
Other swaps			62.4 <83.5>		21.6 <42.6>	− 65.4
Interest rate options	7.7 <13.8>	− 10.2	4.6 <6.1>	− 40.7	2.1 <4.0>	− 55.1
Total	55.9 <100.0>	− 16.7	74.7 <100.0>	+ 33.6	50.7 <100.0>	− 32.1

Note: 1. Figures in parentheses represent percentages of the total.

Table 10 Breakdown by Counterparty and Counterparty Location

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
With financial institutions	54.0	− 18.3	72.1	+ 33.5	50.4	− 30.1
Local <sup>1</sup>	20.4	− 9.9	16.0	− 21.5	19.5	+ 21.6
Cross-border <sup>2</sup>	33.5	− 22.7	56.0	+ 67.0	30.9	− 44.9
With non-financial customers	1.9	+ 81.9	2.6	+ 37.4	0.4	− 86.2
Local	0.4	− 14.8	2.3	+ 556.0	0.4	− 84.6
Cross-border	1.6	+ 145.3	0.3	− 80.8	0.0	− 98.2
Total	55.9	− 16.7	74.7	+ 33.6	50.7	− 32.1
Local	20.8	− 10.0	18.4	− 11.6	19.9	+ 8.2
Cross-border	35.1	− 20.3	56.3	+ 60.5	30.9	− 45.2

Notes: 1. "Local" denotes transactions between reporting financial institutions and residents.

2. "Cross-border" denotes transactions with non-residents.

Table 11 Breakdown by Currency<sup>1</sup>

Daily averages in billions of USD, percentage

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
USD	3.6 <6.5>	- 25.6	7.1 <9.4>	+ 94.2	16.4 <32.3>	+ 131.9
JPY	50.9 <91.1>	- 15.9	65.5 <87.7>	+ 28.7	32.1 <63.3>	- 51.0
EUR	0.3 <0.5>	- 43.3	0.2 <0.3>	- 16.3	0.9 <1.8>	+ 304.2
Others <sup>2</sup>	1.1 <2.0>	- 10.5	1.9 <2.6>	+ 76.6	1.3 <2.6>	- 30.7
Total	55.9 <100.0>	- 16.7	74.7 <100.0>	+ 33.6	50.7 <100.0>	- 32.1

Notes: 1. Figures in parentheses represent percentages of the total.

2. "Others" includes transactions that cannot be broken down into a single currency.

Table 12 Degree of Turnover Concentration among Institutions

Percent, percentage points

	April 2016		April 2019		April 2022	
		Changes		Changes		Changes
Share held by top 10 institutions	92.4	- 1.1	95.8	+ 3.5	97.5	+ 1.7
Share held by top 20 institutions	100.0	+ 0.3	100.0	- 0.0	99.9	- 0.0

## Turnover in Major Markets

## 1. Foreign Exchange Market Activities

Daily averages in billions of USD

April 2016			April 2019			April 2022		
1 United Kingdom	2,406 <	36.9% >	1 United Kingdom	3,576 <	43.2% >	1 United Kingdom	3,755 <	38.1% >
2 United States	1,272 <	19.5% >	2 United States	1,370 <	16.5% >	2 United States	1,912 <	19.4% >
3 Singapore	517 <	7.9% >	3 Singapore	640 <	7.7% >	3 Singapore	929 <	9.4% >
4 Hong Kong SAR	437 <	6.7% >	4 Hong Kong SAR	632 <	7.6% >	4 Hong Kong SAR	694 <	7.1% >
5 Japan	399 <	6.1% >	5 Japan	376 <	4.5% >	5 Japan	433 <	4.4% >
6 France	181 <	2.8% >	6 Switzerland	264 <	3.2% >	6 Switzerland	350 <	3.6% >
7 Switzerland	156 <	2.4% >	7 France	167 <	2.0% >	7 France	214 <	2.2% >
8 Australia	121 <	1.9% >	8 China	136 <	1.6% >	8 Germany	184 <	1.9% >
9 Germany	116 <	1.8% >	9 Germany	124 <	1.5% >	9 Canada	172 <	1.7% >
10 Denmark	101 <	1.5% >	10 Australia	119 <	1.4% >	10 China	153 <	1.6% >
Global total	5,066 [	-5.4% ]	Global total	6,581 [	+29.9% ]	Global total	7,508 [	+14.1% ]

Notes: 1. Figures in < > represent percentages of the total and figures in [ ] indicate changes from the previous survey (applies also to Table 2 below).

2. Each local figure is adjusted for local double-counting of transactions between reporting institutions. Double-counting of cross-border transactions between reporting institutions is also adjusted by the BIS. Thus, a simple aggregation of the results for each participating country and region will not equal the global total released by the BIS (applies also to Table 2 below).

3. Figures for local and global total are subject to revisions (applies also to Table 2 below).

## 2. OTC Interest Rate Derivatives Market Activities

Daily averages in billions of USD

April 2016			April 2019			April 2022		
1 United States	1,241 <	40.8% >	1 United Kingdom	3,670 <	50.6% >	1 United Kingdom	2,626 <	45.5% >
2 United Kingdom	1,180 <	38.8% >	2 United States	2,356 <	32.5% >	2 United States	1,689 <	29.3% >
3 France	141 <	4.6% >	3 Hong Kong SAR	436 <	6.0% >	3 Hong Kong SAR	321 <	5.6% >
4 Hong Kong SAR	110 <	3.6% >	4 Canada	123 <	1.7% >	4 Germany	273 <	4.7% >
5 Singapore	58 <	1.9% >	5 France	120 <	1.7% >	5 France	204 <	3.5% >
6 Australia	56 <	1.9% >	6 Singapore	116 <	1.6% >	6 Singapore	156 <	2.7% >
7 Japan	56 <	1.8% >	7 Australia	97 <	1.3% >	7 Australia	113 <	2.0% >
8 Canada	33 <	1.1% >	8 Japan	75 <	1.0% >	8 Canada	72 <	1.3% >
9 Germany	31 <	1.0% >	9 Germany	56 <	0.8% >	9 Japan	51 <	0.9% >
10 Netherlands	22 <	0.7% >	10 Netherlands	28 <	0.4% >	10 Netherlands	38 <	0.7% >
Global total	2,677 [	+15.9% ]	Global total	6,439 [	+140.5% ]	Global total	5,226 [	-18.8% ]

List of Participating Countries and Regions (Total of 52 countries and regions)

Argentina, Australia, Austria, Bahrain, Belgium, Brazil, Bulgaria, Canada, Chile, China, Chinese Taipei, Colombia, Czechia, Denmark, Finland, France, Germany, Greece, Hong Kong SAR, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Romania, Saudi Arabia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, United Arab Emirates, United Kingdom, United States.

Note: 53 countries and regions participated in the previous survey (all countries and regions in this survey as well as Russia).