



South African Reserve Bank

Global Foreign Exchange Committee meeting 27 June 2018

Developments in South African FX market

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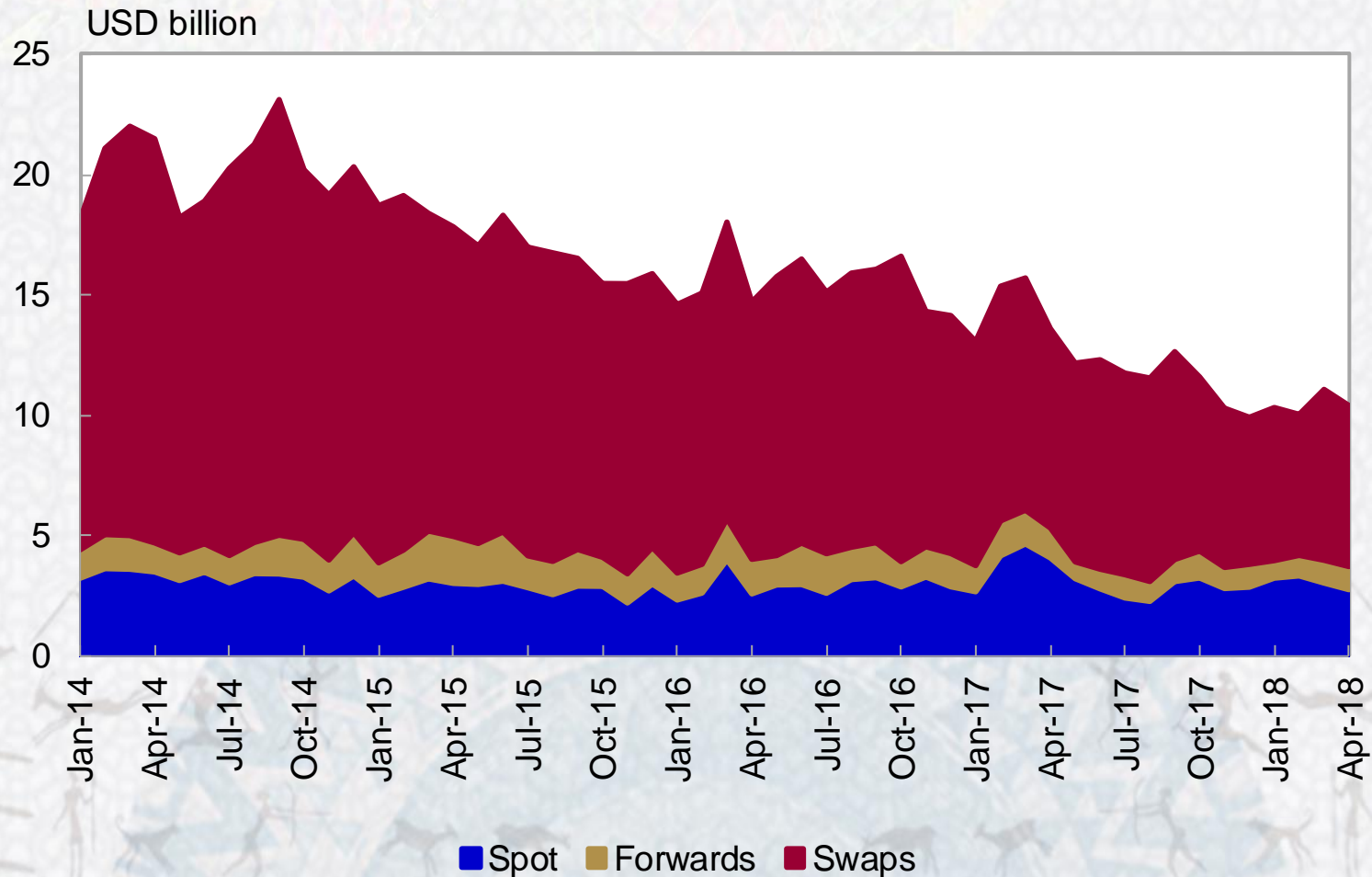
Chairperson: South African Foreign Exchange Committee

Outline

- Overview of the South African FX market
 - FX turnover
 - Participants in the market
- The South African Foreign Exchange Committee (SAFXC)
 - Establishment and membership composition
 - Purpose and functions
 - Awareness and commitment to the FX Global Code

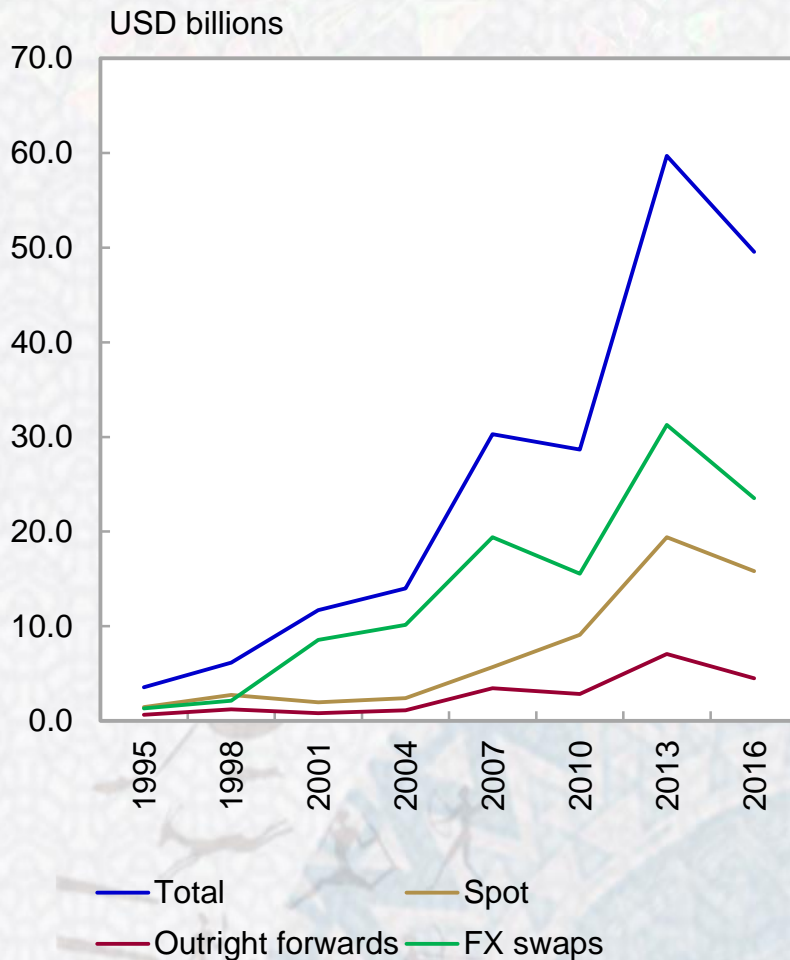
Overview of the South African FX market

Average daily ZAR turnover in the local FX market

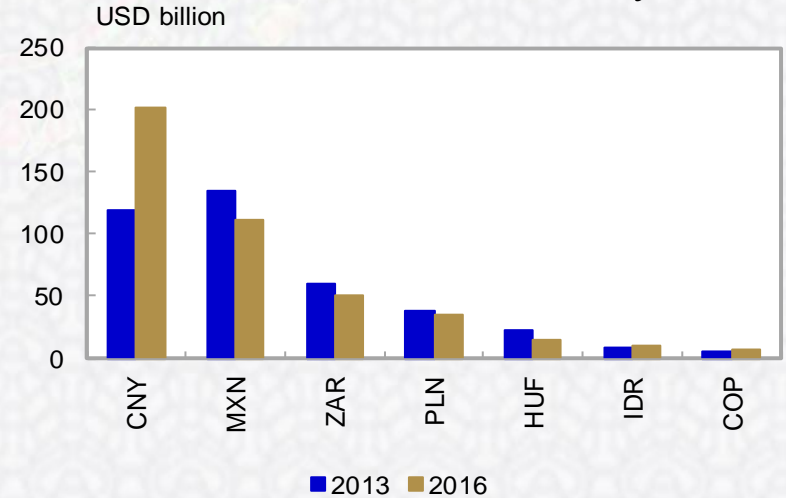


The ZAR global competitiveness (2016)

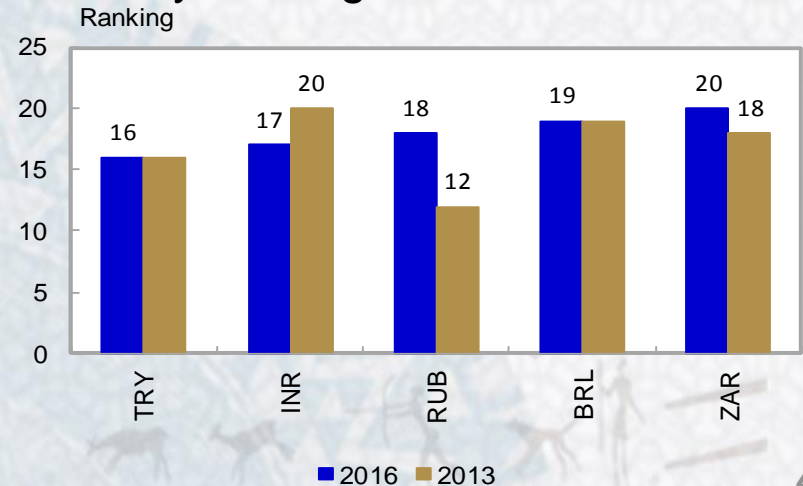
South Africa FX turnover: Daily average



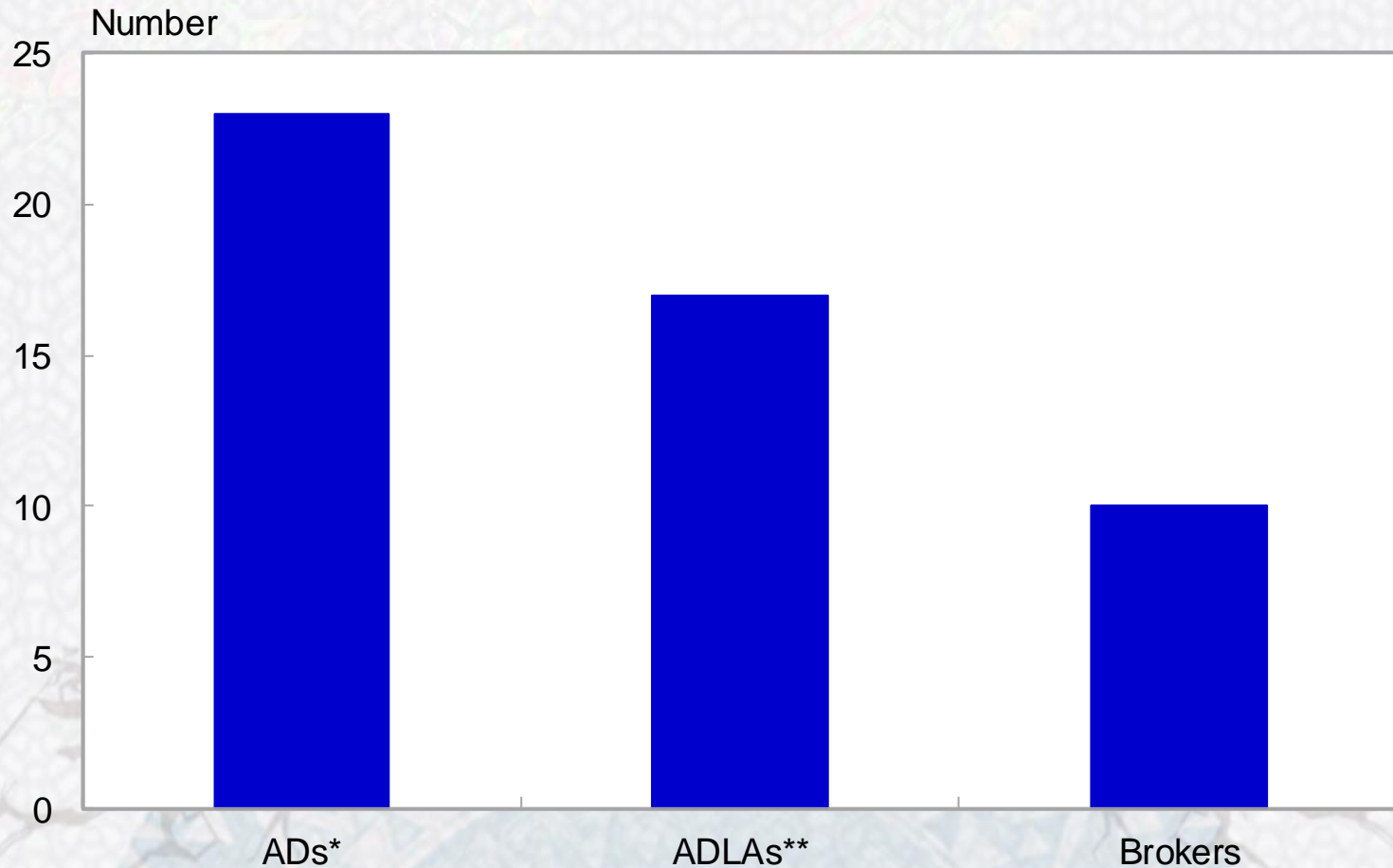
Selected EM FX turnover: Daily average



Currency ranking



Market makers in the local FX market



* ADs - Authorised Dealers

** ADLAs - Authorised Dealers with Limited Authority

Other role players in the local FX market

- Corporates
- Asset managers
- Pension funds
- Insurance companies
- Hedge funds
- Central banks

SA Foreign Exchange Committee (SAFXC)

Establishment of the SAFXC

Membership of the Committee comprises SARB officials and representatives from:

- Authorised Dealers
- The interdealer broker community
- The Association for Savings and Investment South Africa (ASISA)
- Association Cambiste International (ACI) South Africa
- The Banking Association South Africa (BASA)
- Association of Corporate Treasurers of Southern Africa (ACTSA)
- A securities exchange
- Other market participants

The purpose of the Committee

- *To provide guidance in the FX market by endorsing and upholding the Code and to facilitate market participants' adherence to the Code with the intention of promoting a fair and transparent market, as well as compliance with international best practice.*

The functions of the Committee

- Endorse, promote and uphold the non-legislative FX Global Code, and contribute to its updating;
- Promote compliance with international best practice;
- Discuss the functioning of the SA FX market and propose ways to improve its efficiency;
- Discuss topical issues relating to spot and derivative trading activities in the domestic FX market; and
- Exchange views on trends and developments in global FX markets, including the structure and functioning of those markets.

Awareness and commitment to the FX Global Code

- SARB published its SoC
- From 1 September 2018 - SARB expects its FX counterparties to adhere to the Code and publish their SoCs
- Some SAFXC members have published their SoCs

Thank you

