

Update from WM/R Company

Global Foreign Exchange Committee (GFXC)
Sydney, December 2019

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Overview

WM/R Spot Benchmarks

- 155 currencies (25 trade currencies, 130 non-trade currencies)
- Operational from Monday 06:00 HK until Friday 17:00 NY
- Hourly service for 155 currencies, including 4pm 'closing' rate
- 30 minute service for 25 currencies
- 24 currencies at 09:55 Tokyo time

WM/R Forwards Benchmarks

- 80 forward rates and 11 non-deliverable forward rates (all non-trade)
- Hourly service for 91 currencies, including 4pm 'closing' rate
- Up to 11 tenors depending on the liquidity of the pair (O/N–5Y)

Enhancements from 2014 to 2019

Methodology & Commercial Packaging

- **Calculation window:** extended to 5 minutes
- **Greater diversity of data sources:** Matching and EBS data incorporated for additional currencies
- **Transition from indicative to tradable data sources:** platform data now used for CNY, THB & INR
- **New commercial offerings:** special 'services' created as accessible replacements for ECB and Bank of Canada benchmarks

Regulation

- **IOSCO compliant** since 2014. Re-assessed by IOSCO in 2016
- **FCA** regulated in 2015
- WMR 4pm Spots **EU BMR compliant in 2018**
- **Intraday Spots, Forwards and NDFs** to be compliant with EU BMR by end 2019
- **Monitoring and Surveillance** program developed
- **Independent Oversight Committee** established

User Group

- **Global user group** created 2015, with approximately 14 members
- Generally **reactive engagement**
- **Topics covered:** regulations, methodology, market changes, new product requirements
- 2018 restructuring to **regional user groups**
- **2019:** APAC up and running, EMEA and Americas to be set up

Roadmap

Forwards/NDFs: 2020 Focus

- Consider incorporation of trade data into calculation
- Consider increased decimal places for published benchmark rates
- Consider additional forward tenors for liquid currencies
- Review contribution options, and better understand industry evolution

Spots: Business as Usual

- Continue to maintain watch on contributions quality by currency, contributing platforms, etc