

August 2024

FX Market Structure Monthly

CHANGES IN SPREAD AND VOLATILITY FOR MAJOR MARKET PAIRS

FX volatility increased in August, indicating heightened trading activity in the FX market. This aligns with the reported rise in trading volumes across various venues. Meanwhile, spreads for Scandinavian pairs widened following the interest rate cut implemented by the Swedish central bank.

READING THE RESULTS

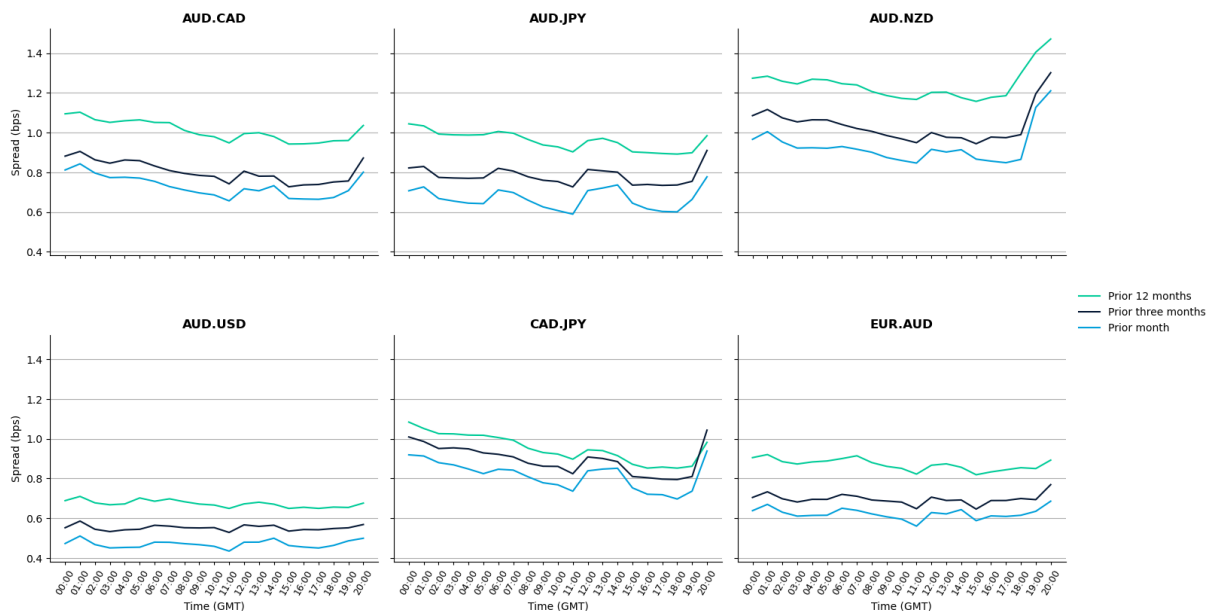
On the intraday charts, the green line represents the average spread or volatility for the past 12 months, the black line represents the past three months, and the blue line represents the past month. On the daily charts, the green area represents the 95th percentile confidence interval for the spread and volatility.

SPREADS

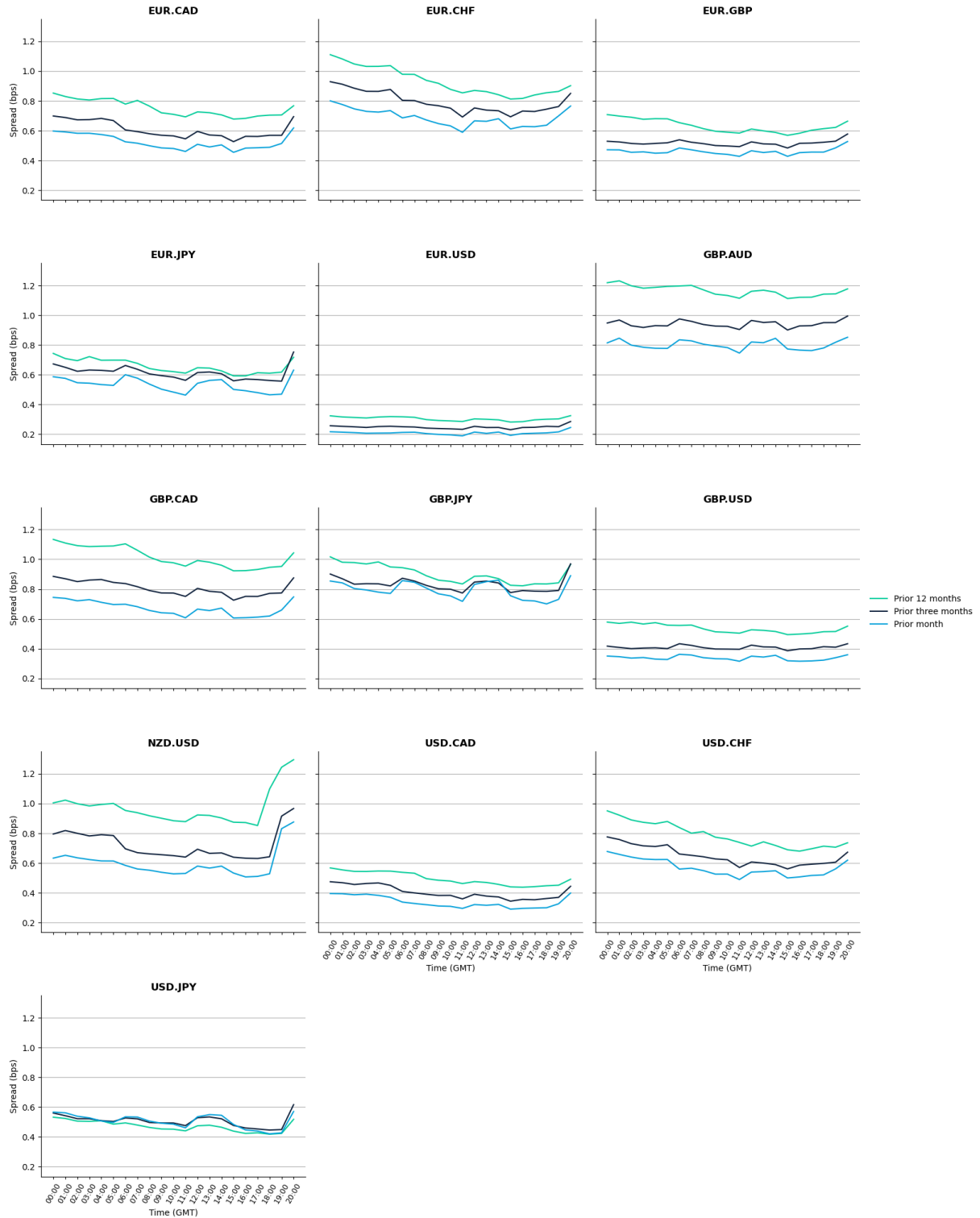
Spreads for Scandinavian and cross pairs widened in August compared to previous months. Examining trading hours, spreads for Scandinavian pairs widened for all US, EMEA and APAC trading hours. On August 19, 2024, the Swedish Riksbank cut its policy rate to 3.5% to control inflation rate, resulting in weakening of the Swedish Krona and a widening of spreads.

G-10 Currency Pairs: Average Hourly Spread, 00:00-20:00 GMT

Comparison over the past month, three months and year

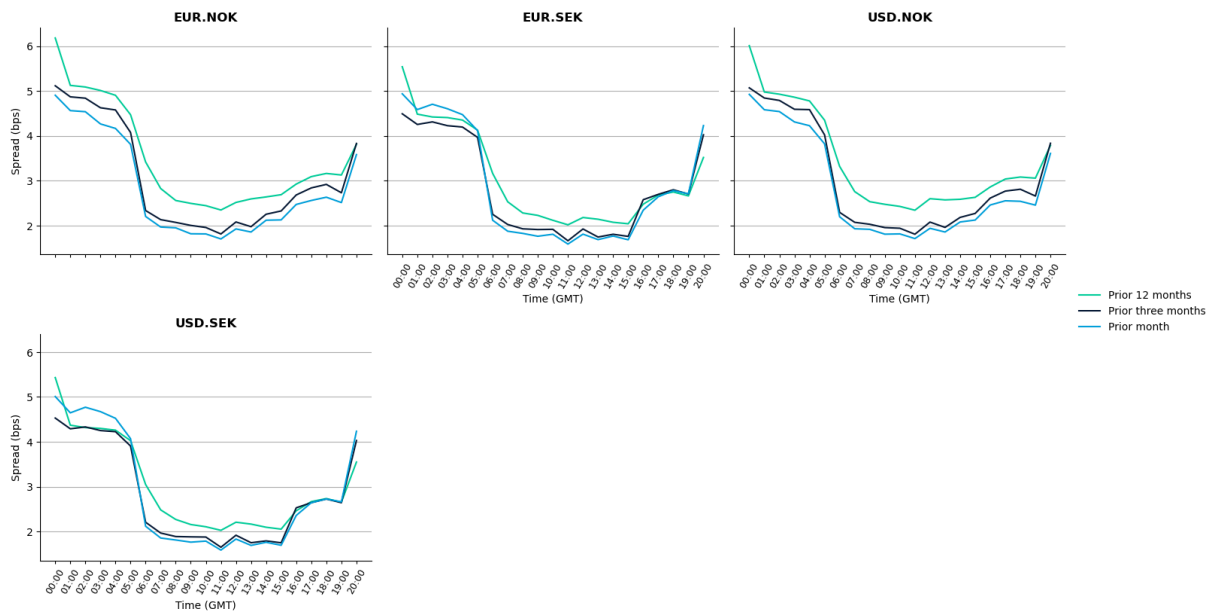


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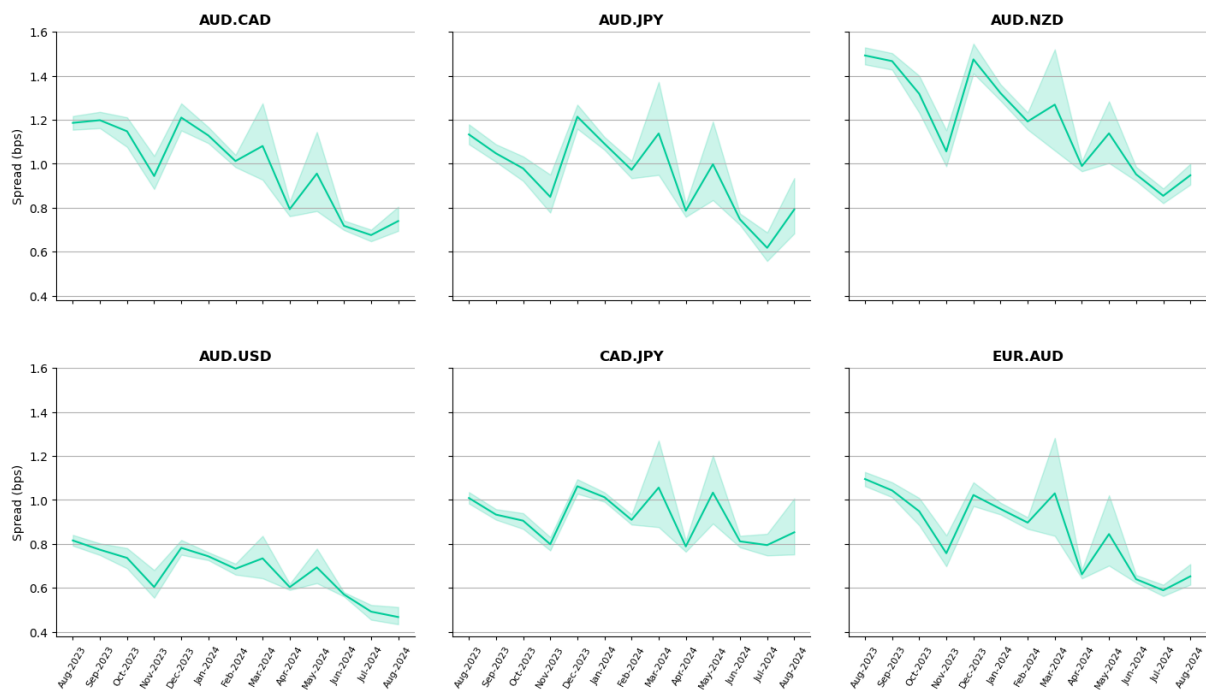




Scandinavian G-10 Currencies: Average Hourly Spread, 00:00-20:00 GMT Comparison over the past month, three months and year



G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT August 2023 - August 2024

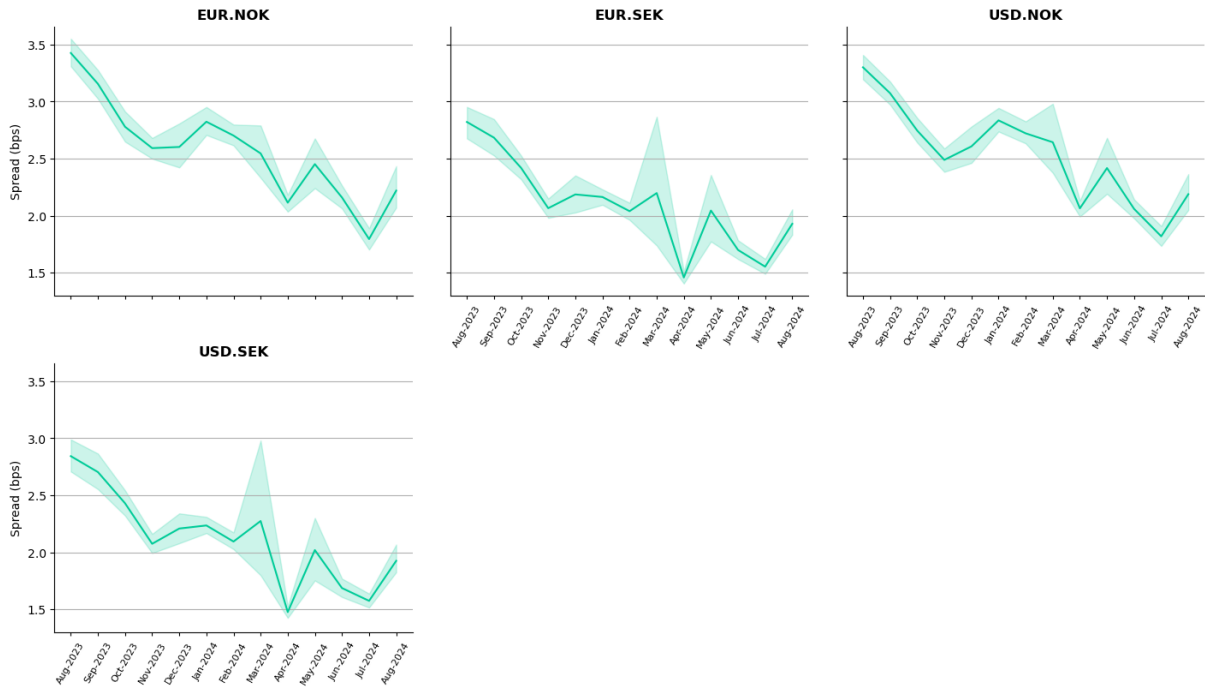




Scandinavian G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT August 2023 - August 2024



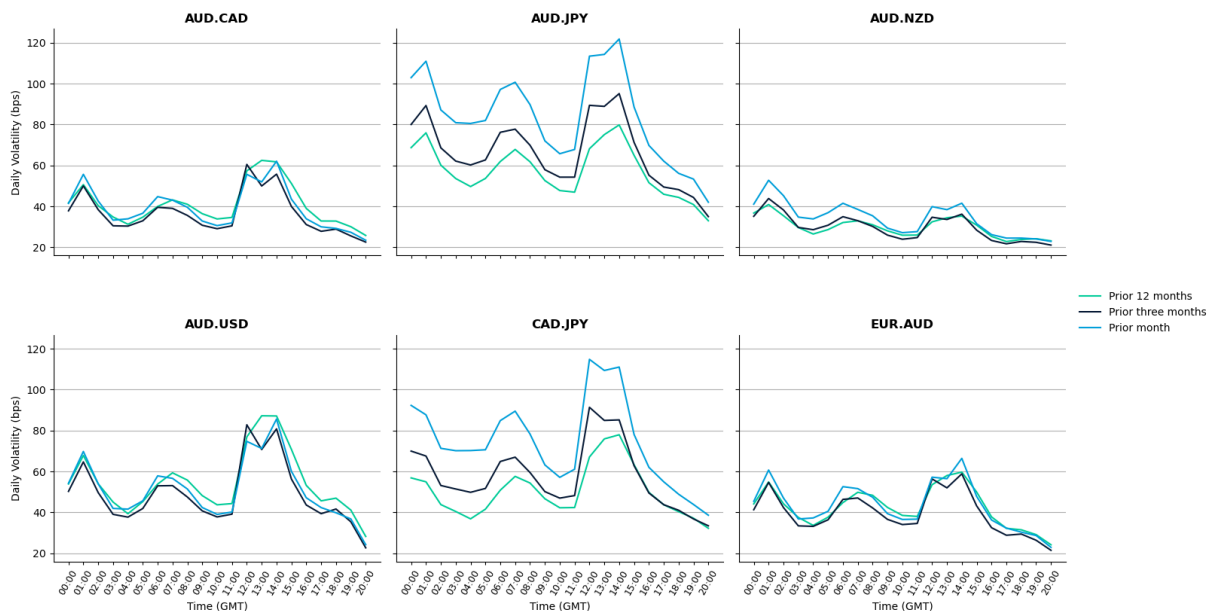
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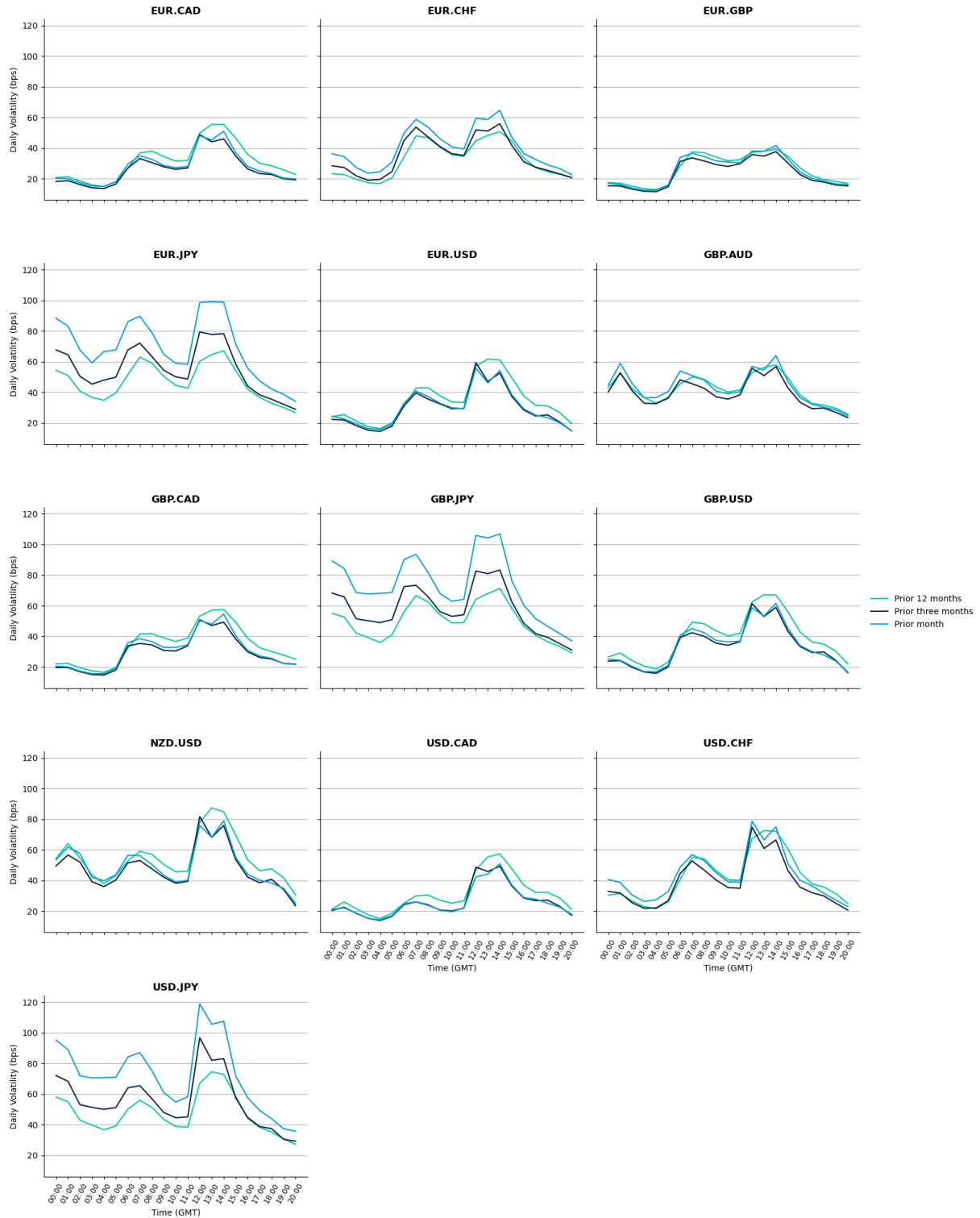
VOLATILITY

FX volatility was high in August, as indicated by the VIX. Out of 23 currency pairs that we observed, 22 experienced an increase in median volatility compared to previous month. This was consistent throughout US, EMEA and APAC trading hours, indicating heightened FX trading activity throughout the month.

G-10 Currencies: Average Hourly Volatility, 00:00-20:00 GMT Comparison over the past month, three months and year



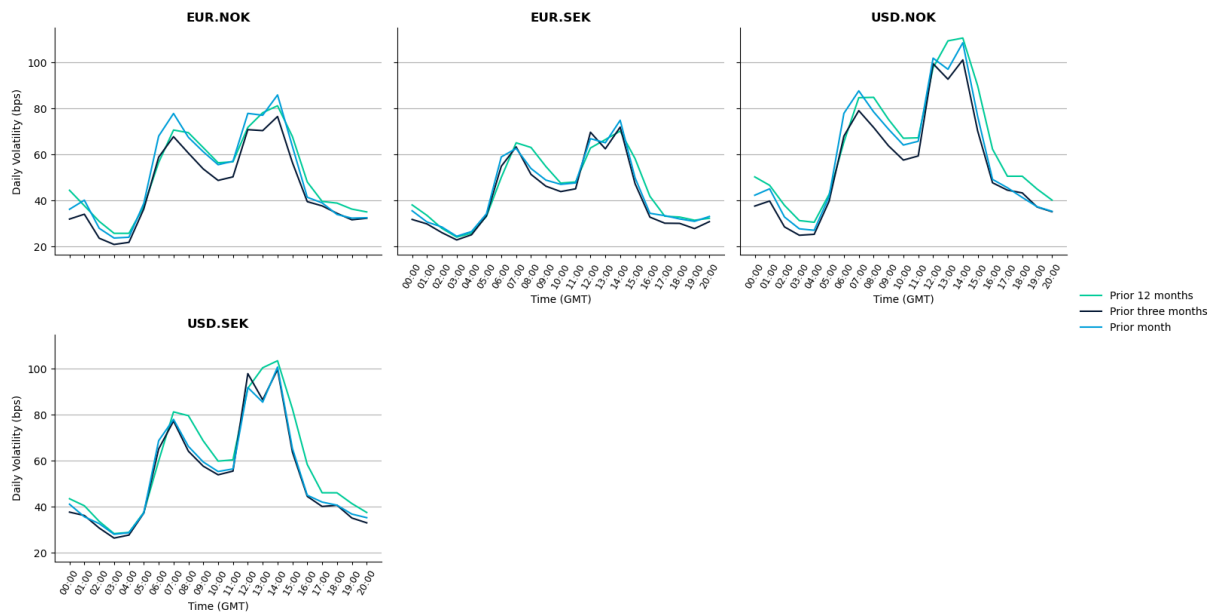
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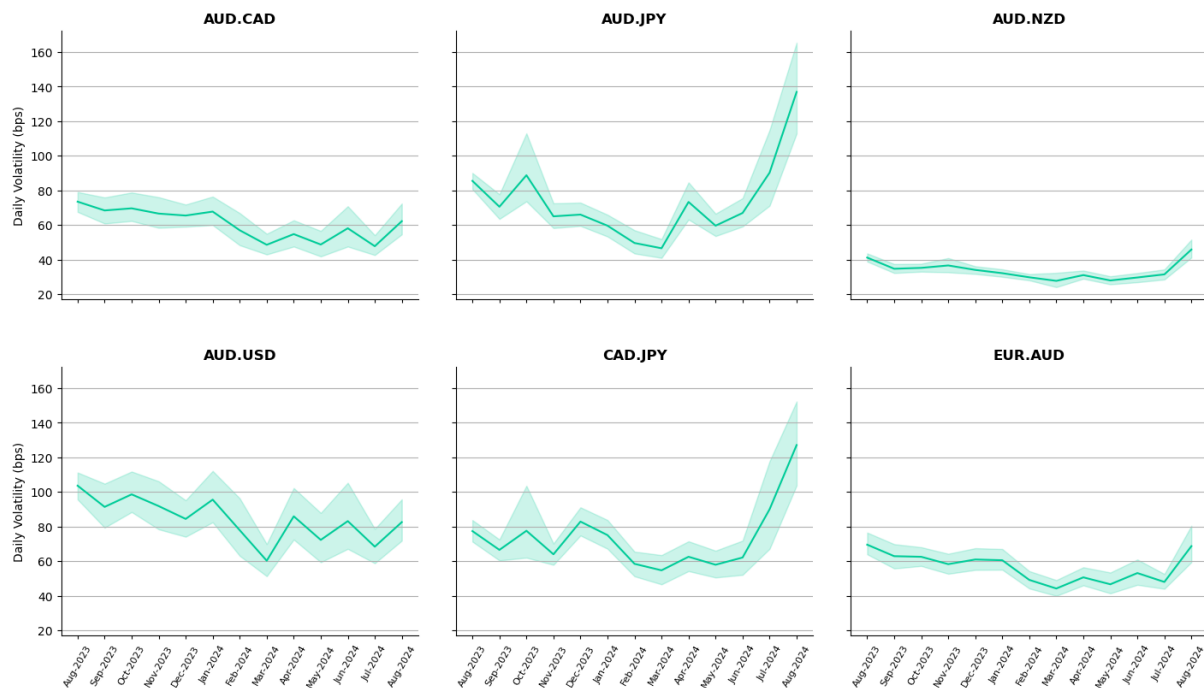
All chart sources: Virtu Financial, 2024. Spread and volatility calculations are derived from sources that Virtu believes to be reliable, but Virtu does not make any claims to its accuracy. USD.NOK, USD.SEK, EUR.NOK and EUR.SEK are shown in separate exhibits.



Scandinavian G-10 Currencies: Average Hourly Volatility, 00:00-20:00 GMT Comparison over the past month, three months and year



G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT August 2023 - August 2024

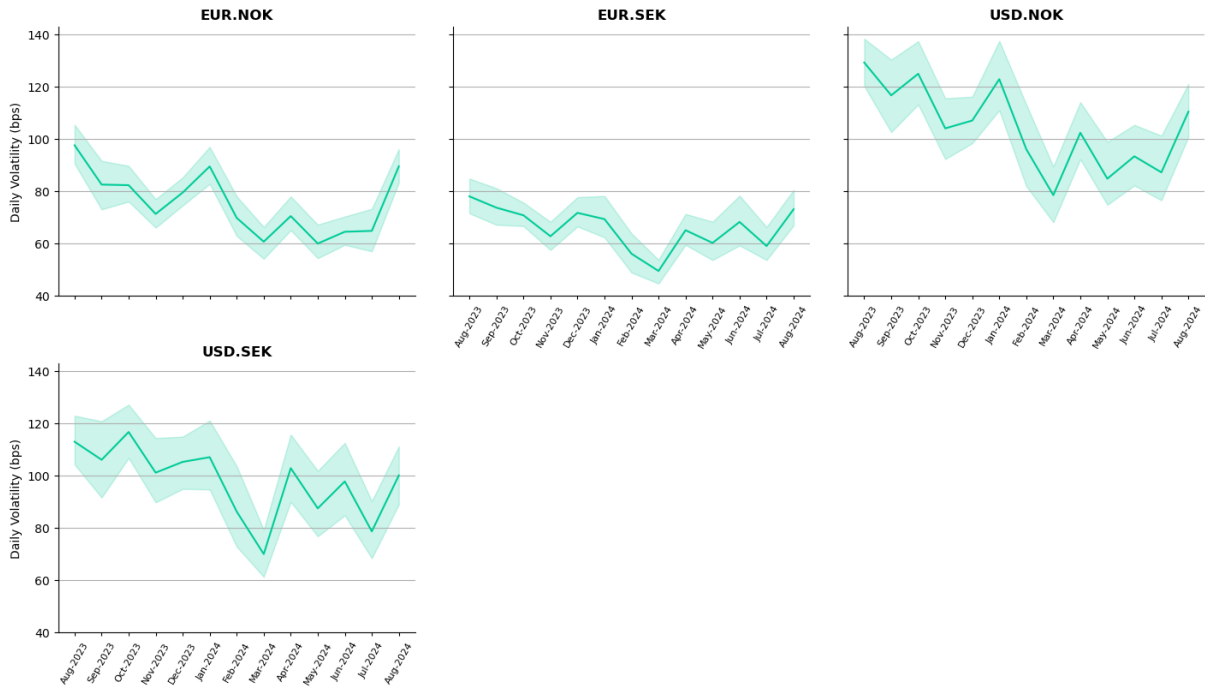




Scandinavian G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT August 2023 - August 2024



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