

December 2024

# FX Market Structure Monthly

## CHANGES IN SPREAD AND VOLATILITY FOR MAJOR MARKET PAIRS

Trading activity typically slows during the holiday season and this past December was no different. We observed a reduction in volatility and narrower spreads across most currency pairs, reversing the trend of the past few months. However, Scandinavian pairs were a notable exception, showing continued increases in spreads for the month. Additionally, some USD pairs experienced wider spreads and sharper price movements, likely driven by the U.S. election, which introduced market shifts and bolstered confidence in the dollar.

## READING THE RESULTS

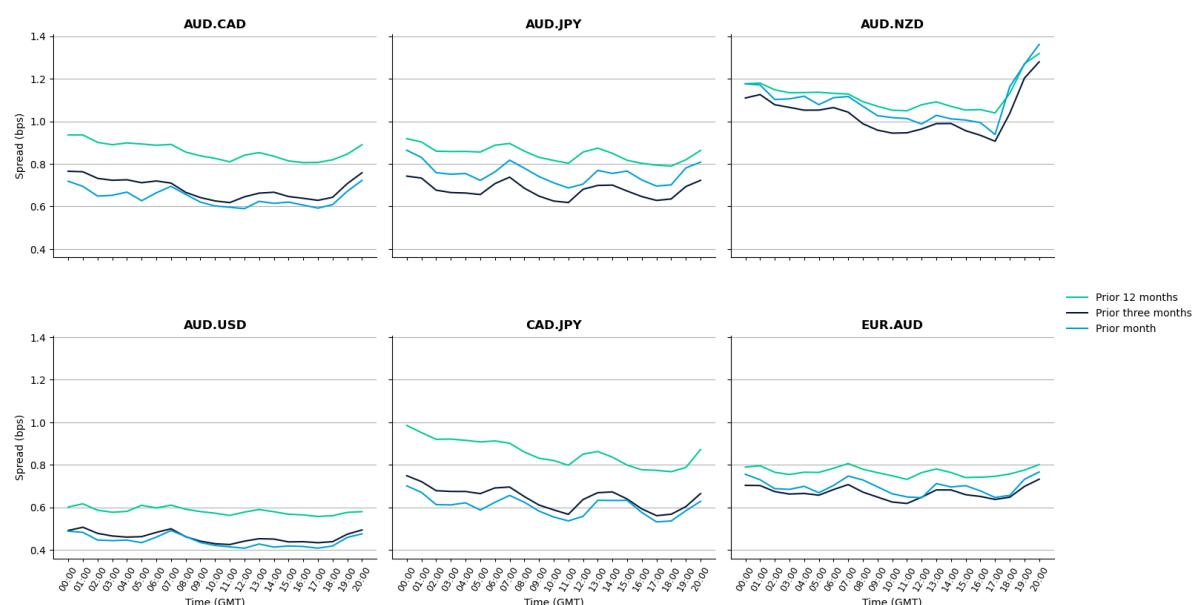
On the intraday charts, the green line represents the average spread or volatility for the past 12 months, the black line represents the past three months, and the blue line represents the past month. On the daily charts, the green area represents the 95th percentile confidence interval for the spread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

## SPREADS

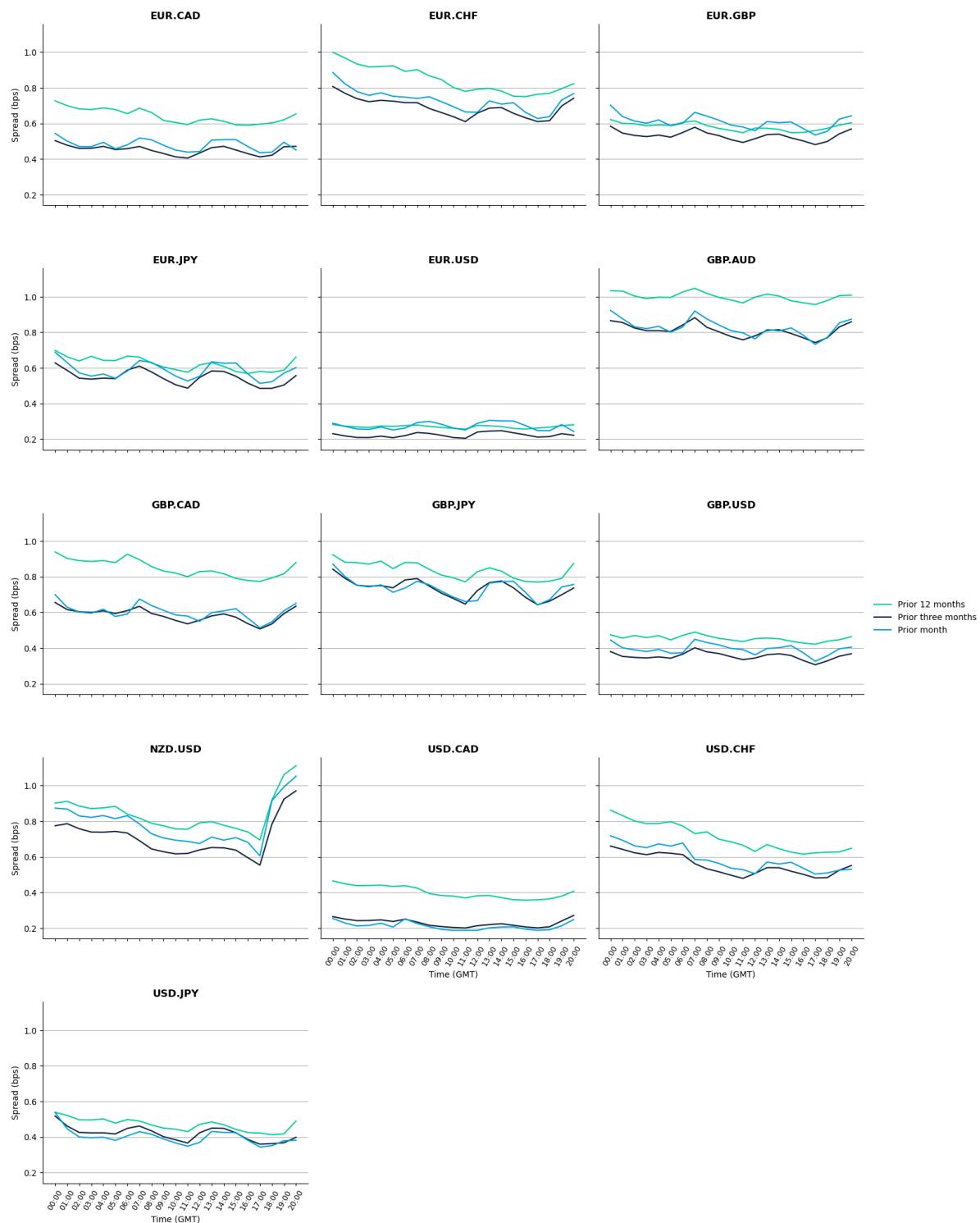
During the pre-WMR trading window (12:00-16:00 GMT), unlike previous patterns, we did not witness a general increase in spreads across most currency pairs. However, Scandinavian pairs, continued to show signs of elevated spreads, reflecting trends observed in previous months. Over time, we have consistently seen widening spreads for EUR.USD, GBP.USD, and USD.CHF pairs, underscoring the U.S. dollar's role as a key driver of market movement and increasing spreads. Overall, the intraday movement of spreads has stayed consistent with historical patterns.

## 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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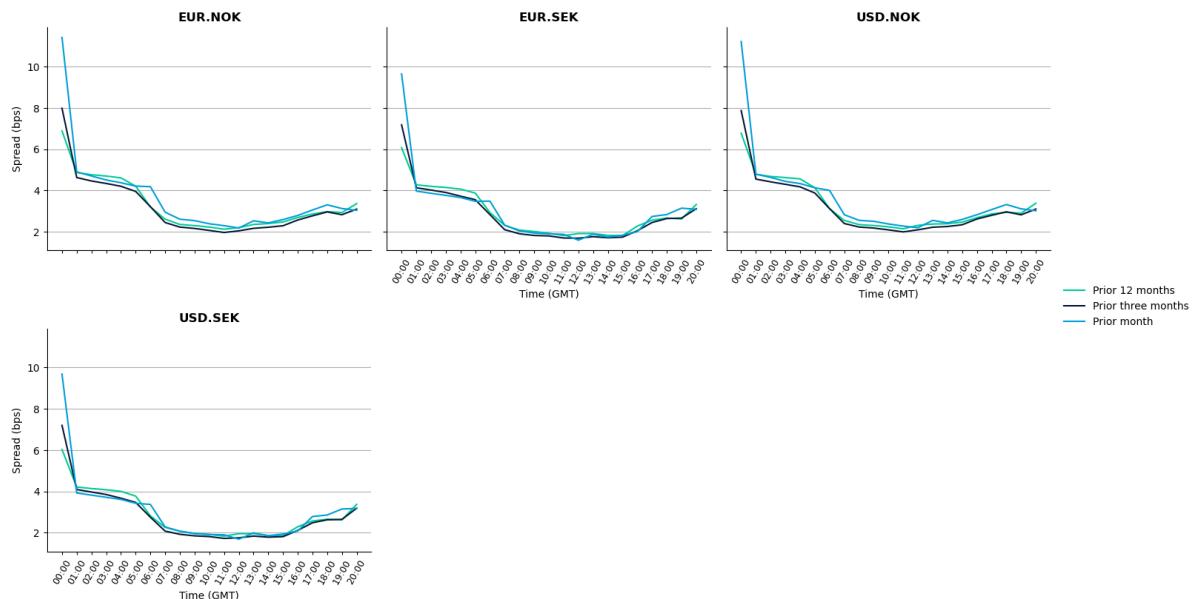


All chart sources: Virtu Financial, 2025. Spread and volatility calculations are derived from sources that Virtu believes to be reliable, but Virtu does not make any claims to its accuracy. USD.NOK, USD.SEK, EUR.NOK and EUR.SEK are shown in separate exhibits.



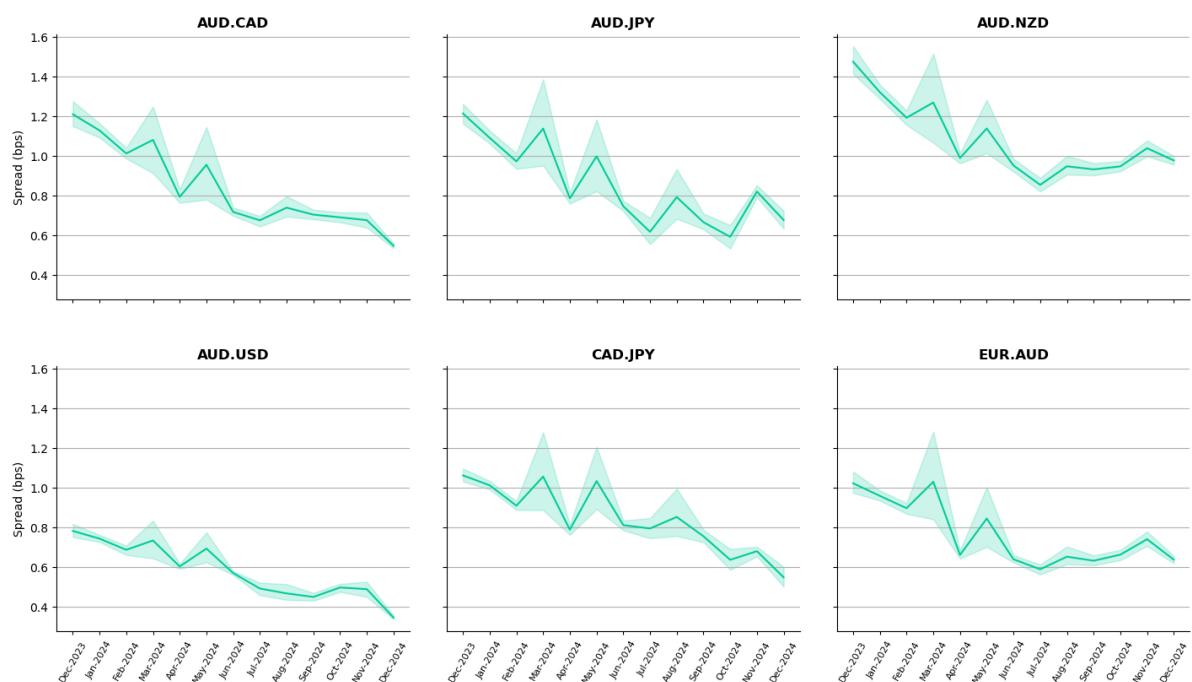
## Scandinavian G-10 Currencies: Average Hourly Spread, 00:00-20:00 GMT

Comparison over the past month, three months, and year



## G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT

November 2023 – November 2024

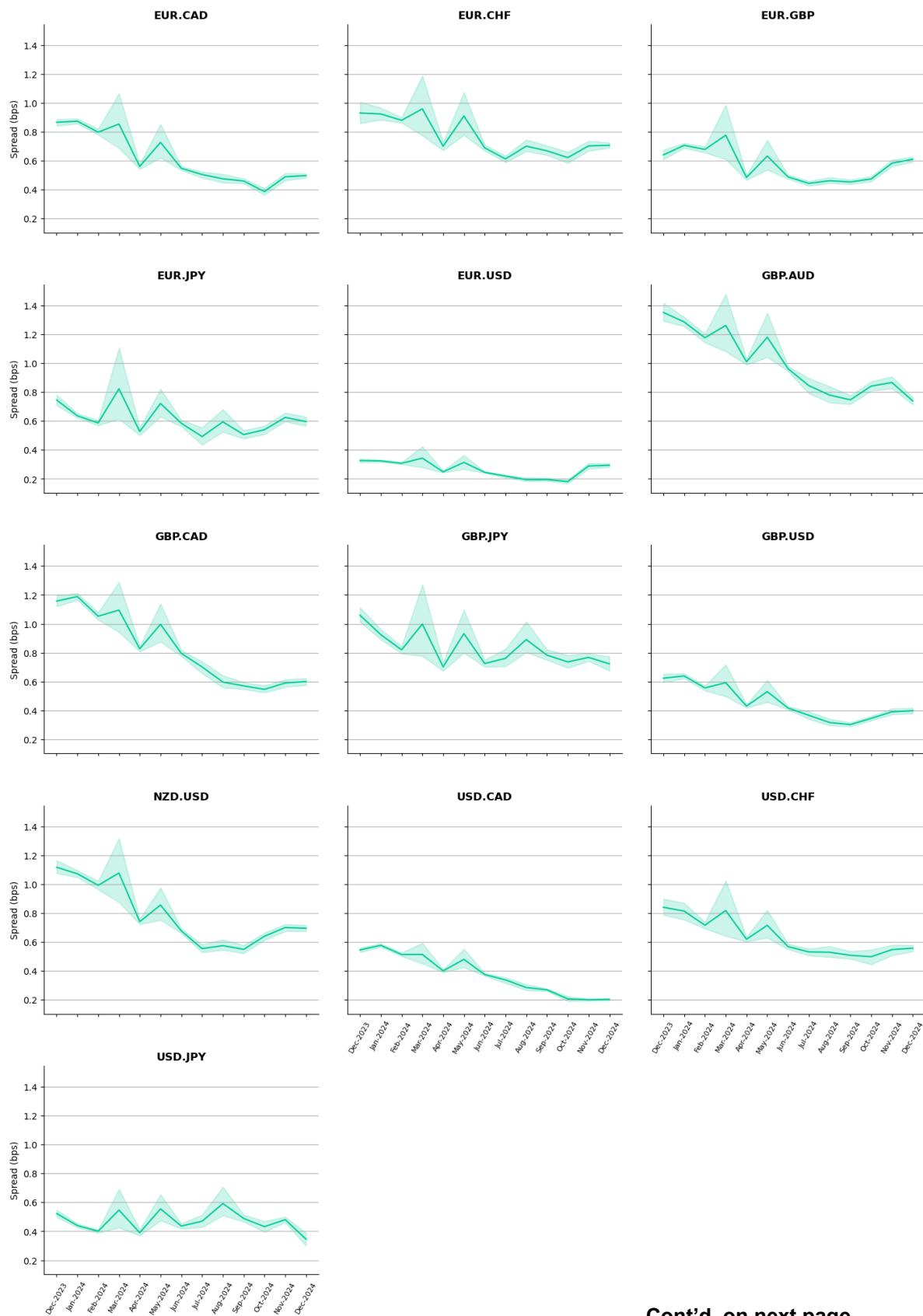


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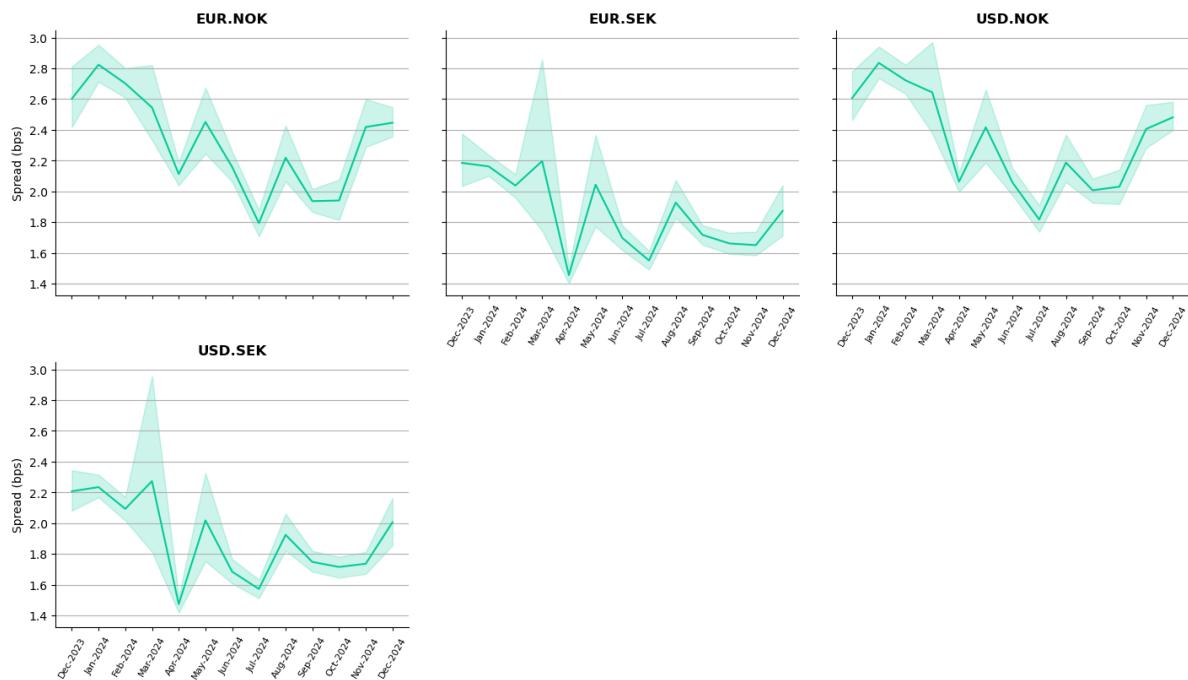


## Scandinavian G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT

November 2023 – November 2024



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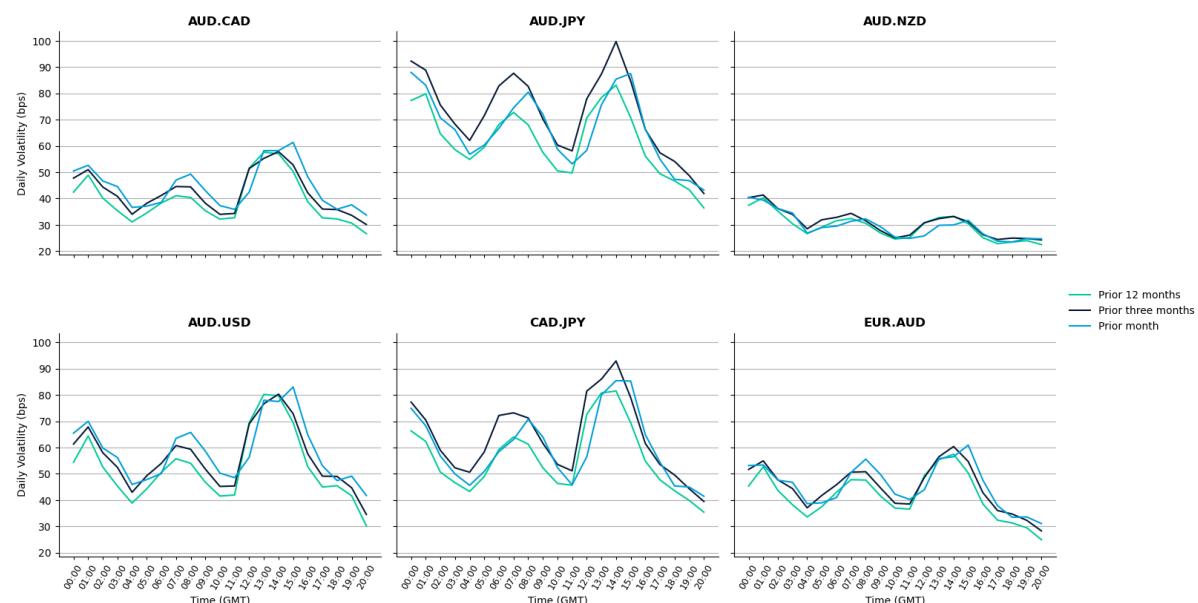
## VOLATILITY

FX volatility has followed a similar pattern to spreads. During the pre-WMR trading period (12:00-16:00 GMT), most currency pairs experienced reduced volatility last month, likely due to reduced market activity during the holiday season. The only major currency pair that saw an increase in volatility during this period was USD.CAD. Compared to 12 months ago, volatility has risen for six of the seven majors, though the increase is modest.

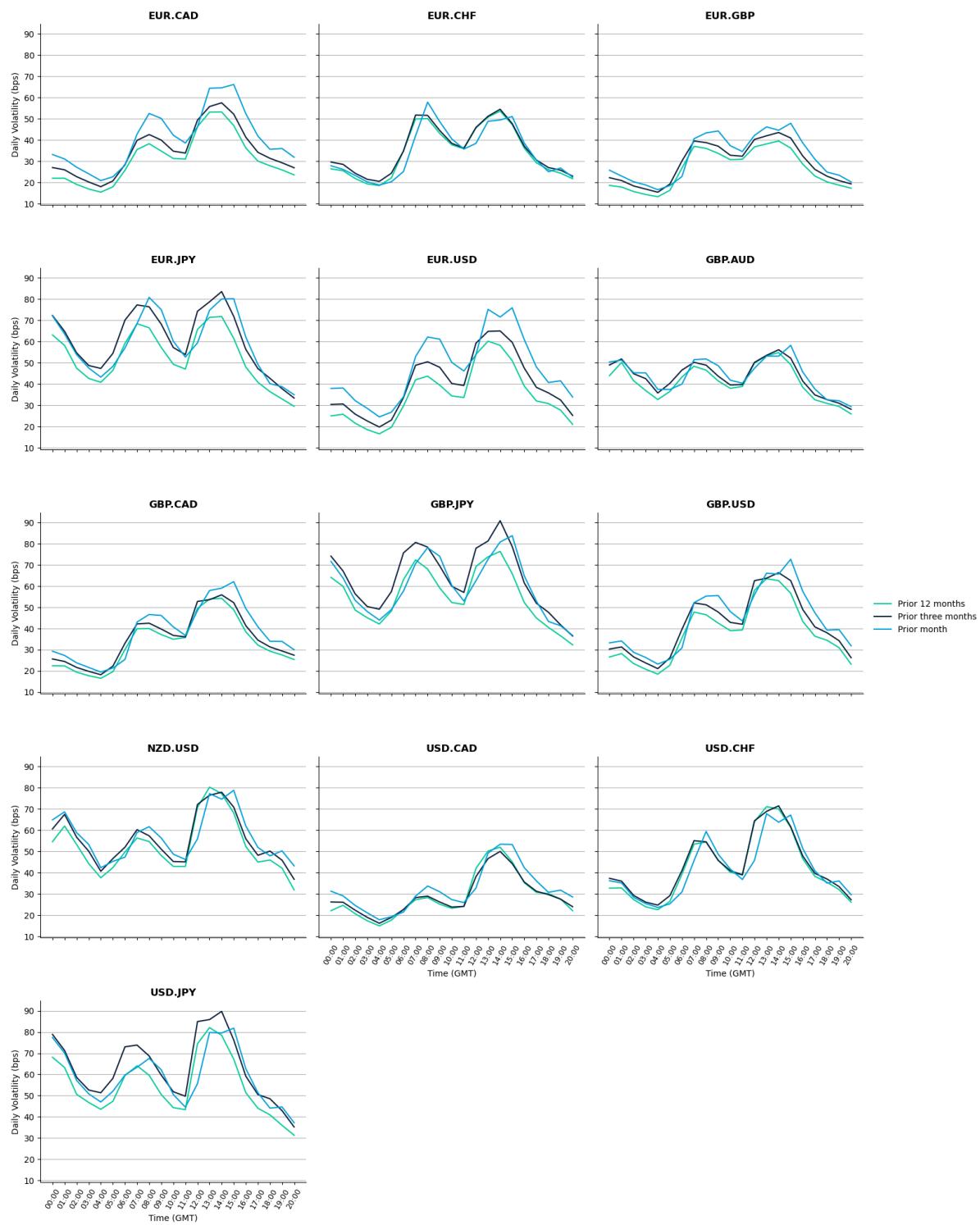
Examining the average hourly volatility graphs reveals that daily volatility follows a consistent trend, with heightened activity around the hours of 04:00 to 10:00 GMT, and 12:00 to 17:00 GMT. The size of the increase varies among currency pairs, with the most significant movements observed in JPY pairs.

### G-10 Currencies: Average Hourly Volatility, 00:00-20:00 GMT

Comparison over the past month, three months, and year



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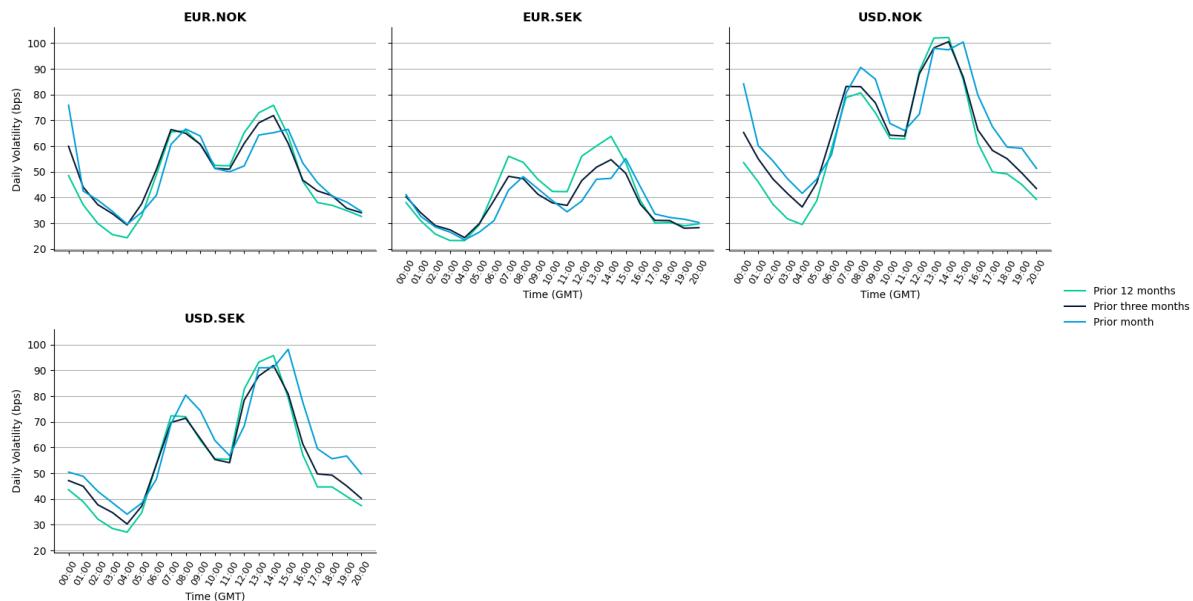


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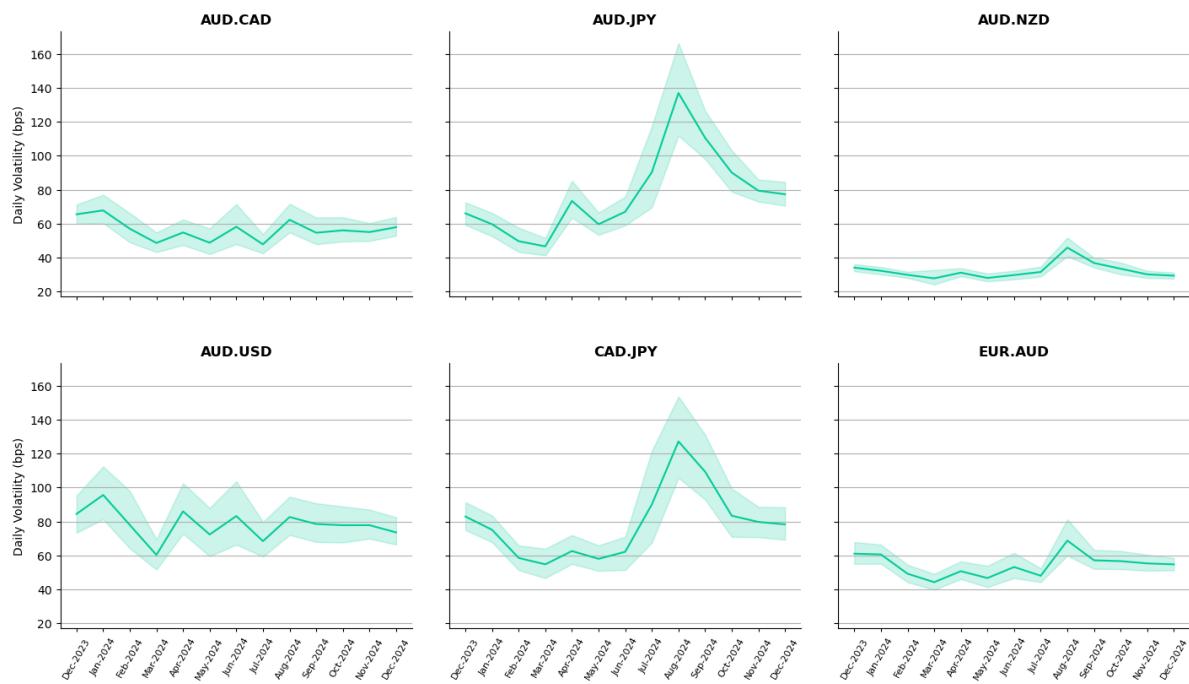
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## G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT

November 2023 – November 2024



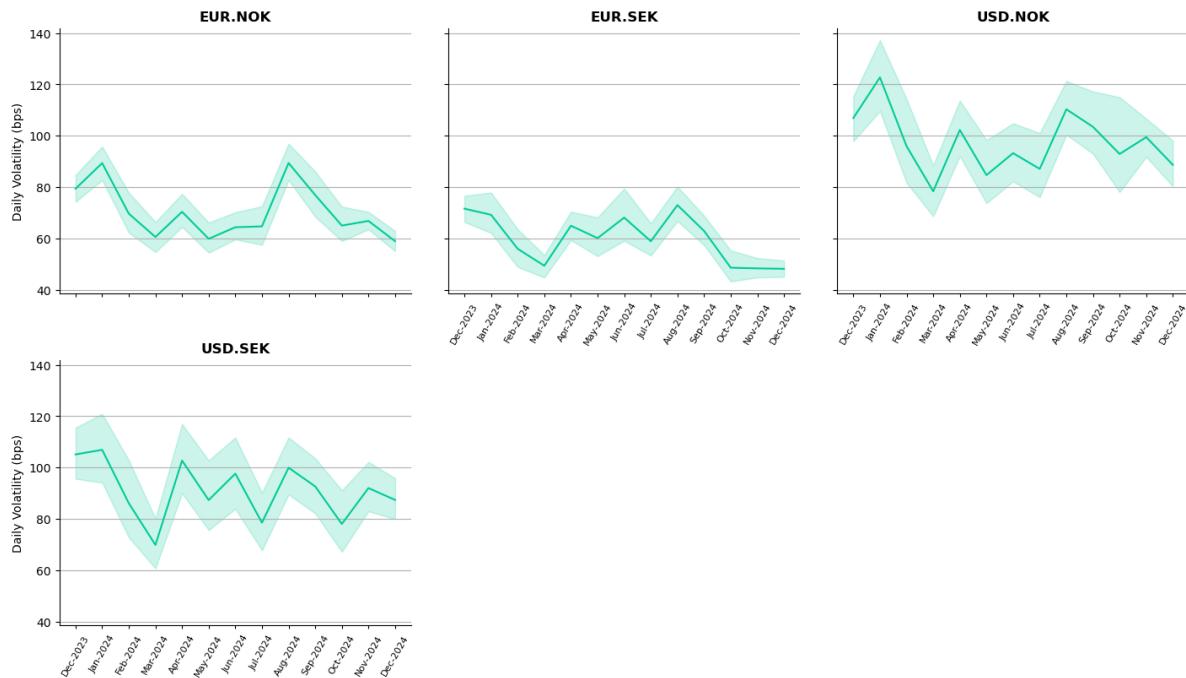


## Scandinavian G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT

November 2023 – November 2024



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**Have questions? To learn more, contact your regional Virtu Analytics representative.**

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