February 2025

FX Market Structure Monthly

CHANGES IN SPREAD AND VOLATILITY FOR MAJOR MARKET PAIRS

Imagine being stranded on a deserted island for the past three months, completely out of touch with the news and FX market activity. Upon your return, you might expect to see wider spreads and more volatility in the market. However, you'd be mistaken. Reviewing both hourly figures and the 12:00-16:00 WMR trading window, spreads and volatility for the 23 G-10 FX have remained relatively stable. Compared to three months ago, hourly spreads for five of the seven majors have widened during London trading hours, but not significantly. Intra-day has increased for only USD.CAD, with a slight decrease for the other pairs. We'll continue to watch volatility and spread over time to see if this pattern changes.

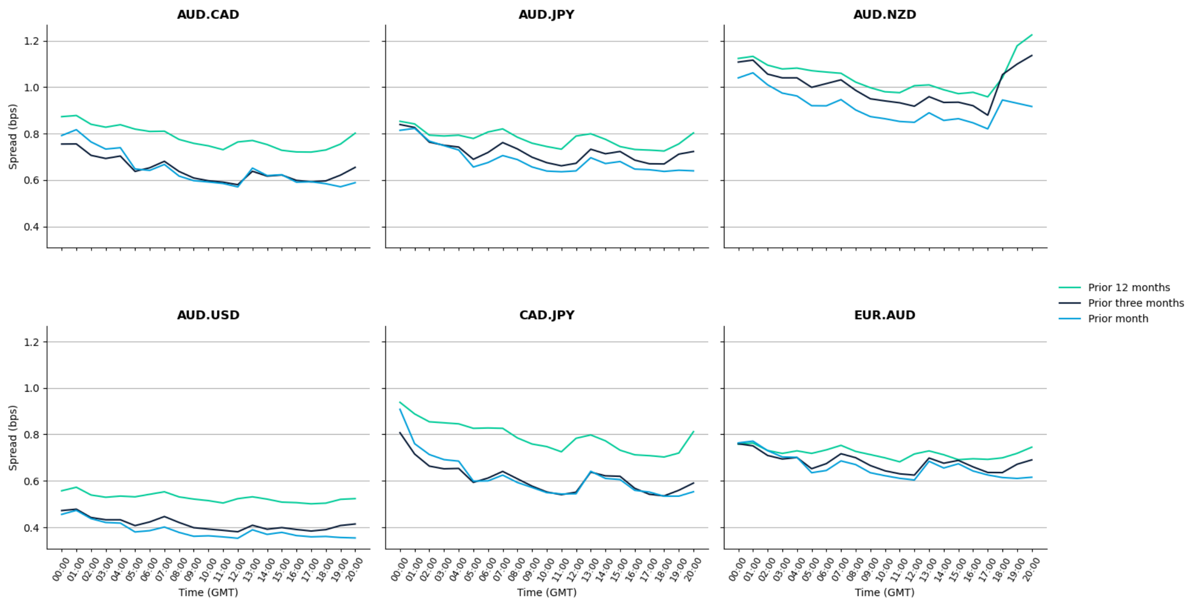
READING THE RESULTS

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 showed minimal change during the pre-WMR trading window (12:00 – 16:00 GMT), with three major pairs experiencing wider spreads and four narrower spreads. Compared to three months ago, five majors traded at wider spreads in February, though the differences were modest. On the hourly charts, we observed notable–by 0.05 bps or more–throughout the day for AUD.NZD, EUR.CHF, USD.CHF, NZD.USD and USD.JPY.

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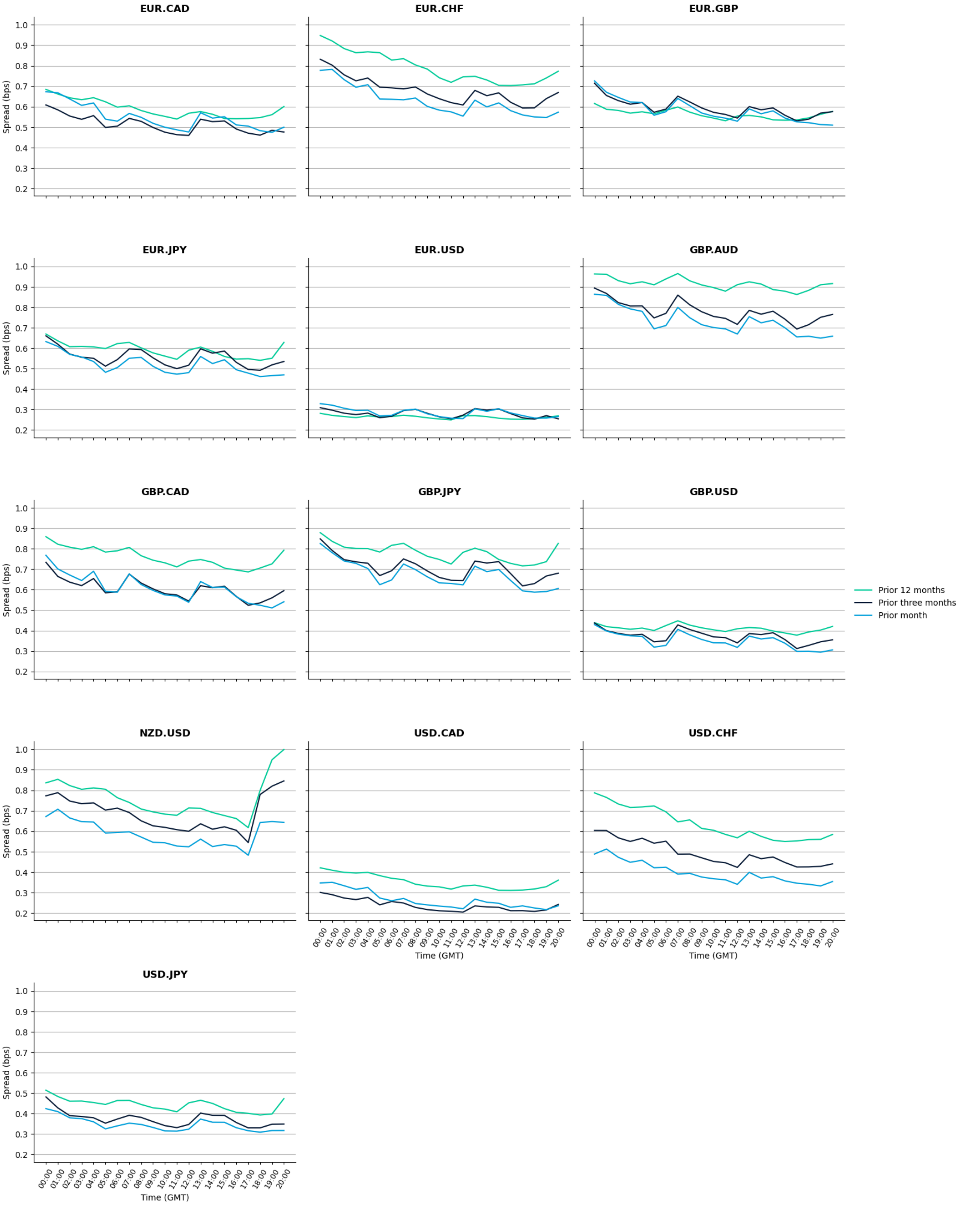
All chart sources: Virtu Financial, 2025. Spread and volatility calculations are derived from sources that Virtu believes to be reliable, but Virtu does not make any claims to its accuracy. USD.NOK, USD.SEK, EUR.NOK and EUR.SEK are shown in the separate exhibits.



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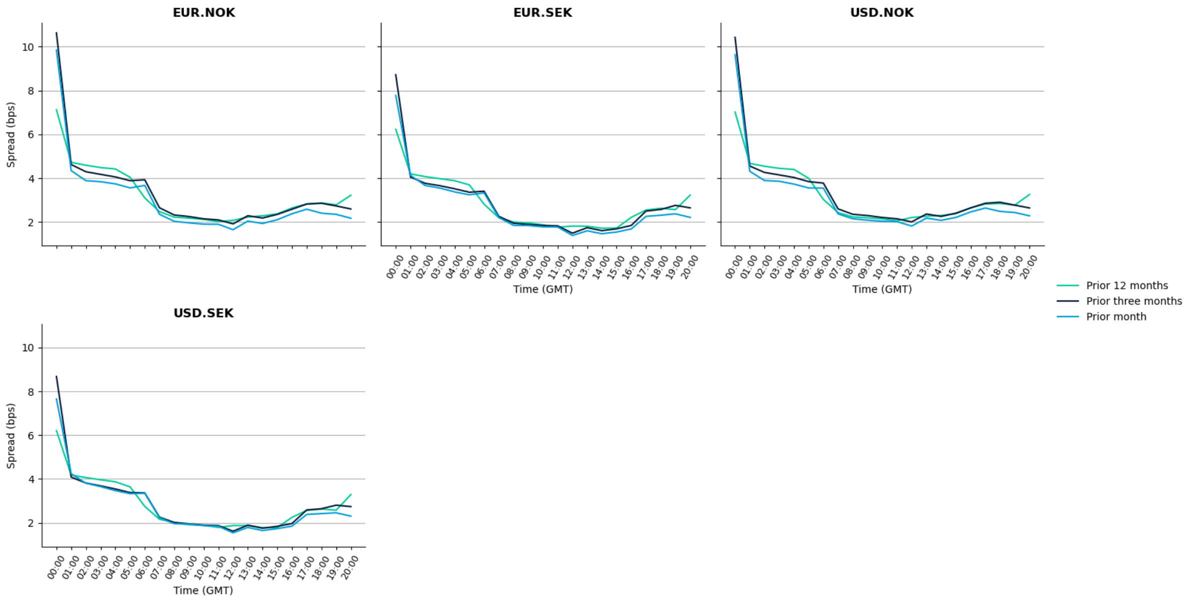
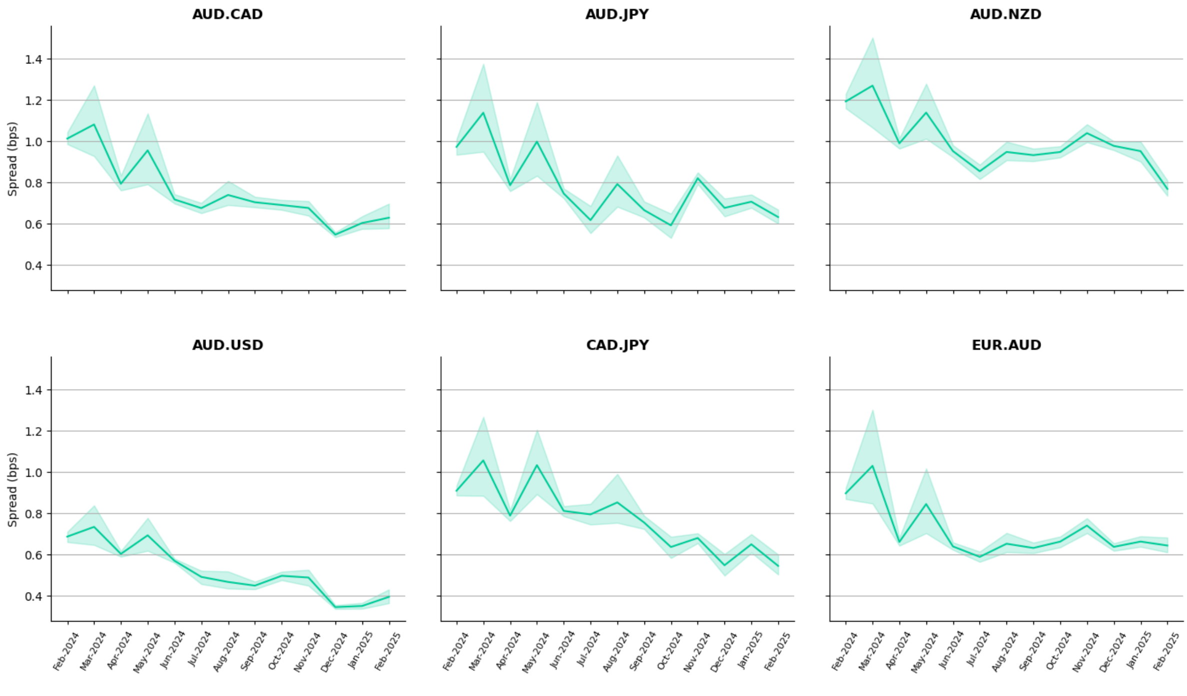
Scandinavian G-10 Currencies: Average Hourly Spread, 00:00-20:00 GMT
Comparison over the past month, three months, and year



G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT
February 2024 – February 2025



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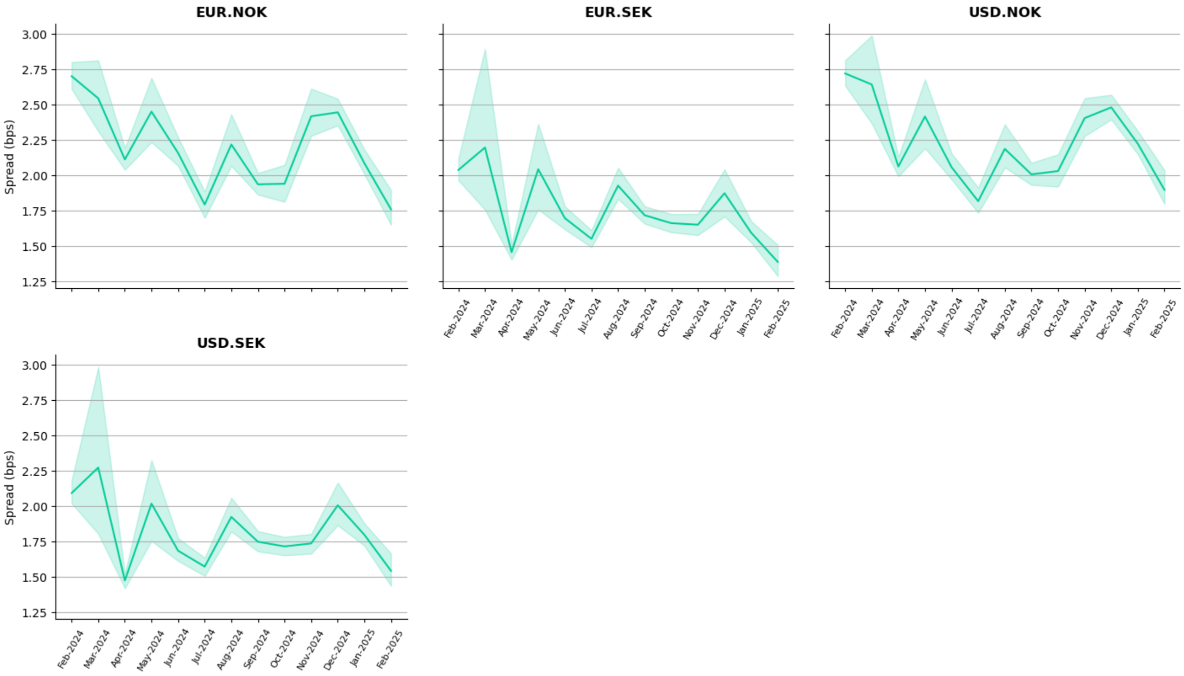

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VOLATILITY

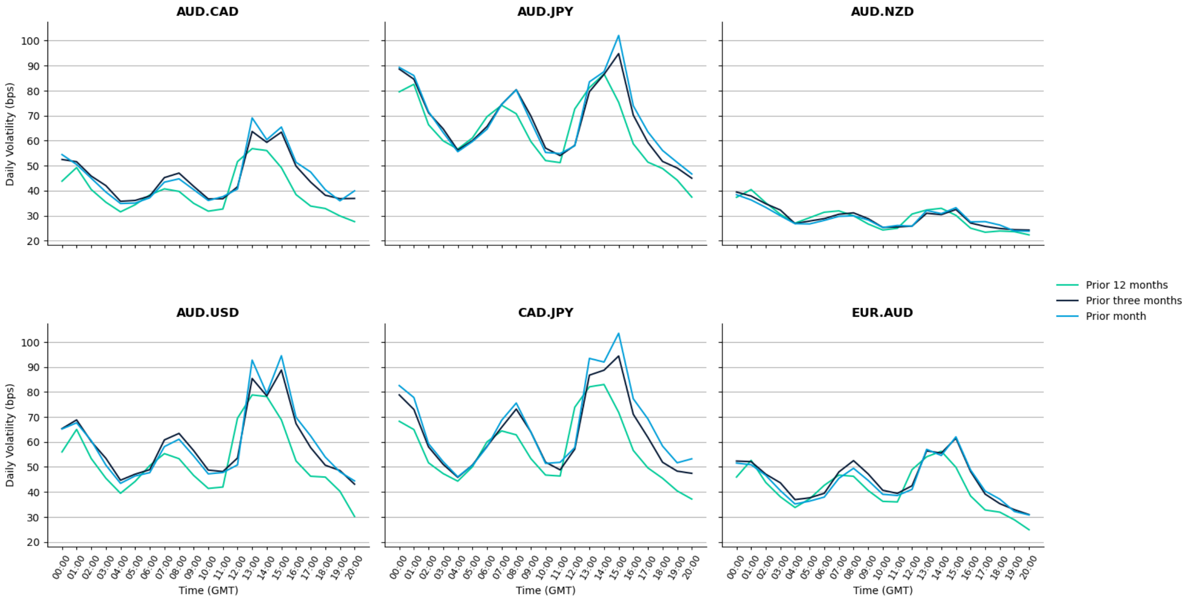
Volatility during the pre-WMR trading window increased over the past month for only three of the 23 pairs that we monitor. Compared to three months ago, volatility rose for 15 of 23, and it is higher for 18 pairs compared to February 2024. Among the majors, only the USD.CAD saw an increase in volatility over the past one or three months, while volatility for the other six pairs have remained flat to slightly lower.

FX volatility remained relatively stable, even for the five CAD pairs we track. Examining intra-day volatilities, three of five CAD pairs, USD.CAD. EUR.CAD and AUD.CAD, recorded higher volatility throughout the trading day over the past one, three, and six months. In contrast, intra-day volatility for GBP.CAD and CAD.JPY was lower than in recent history.

Two pairs, AUD.USD and USD.JPY, showed lower intra-day volatility compared to values recorded one, three, and six months ago.

Overall market volatility increased after 15:00 GMT when compared to one, three and six months ago.

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



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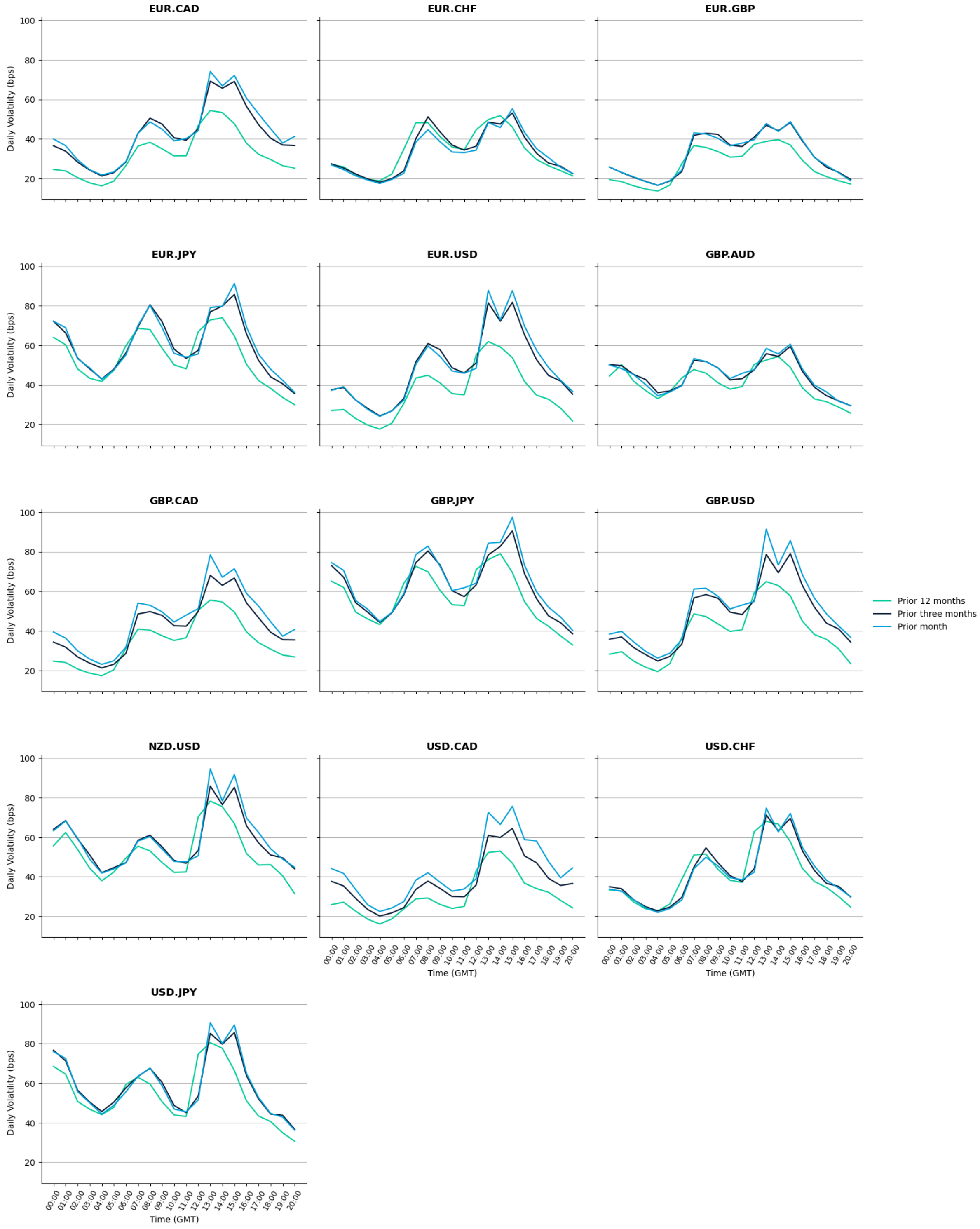

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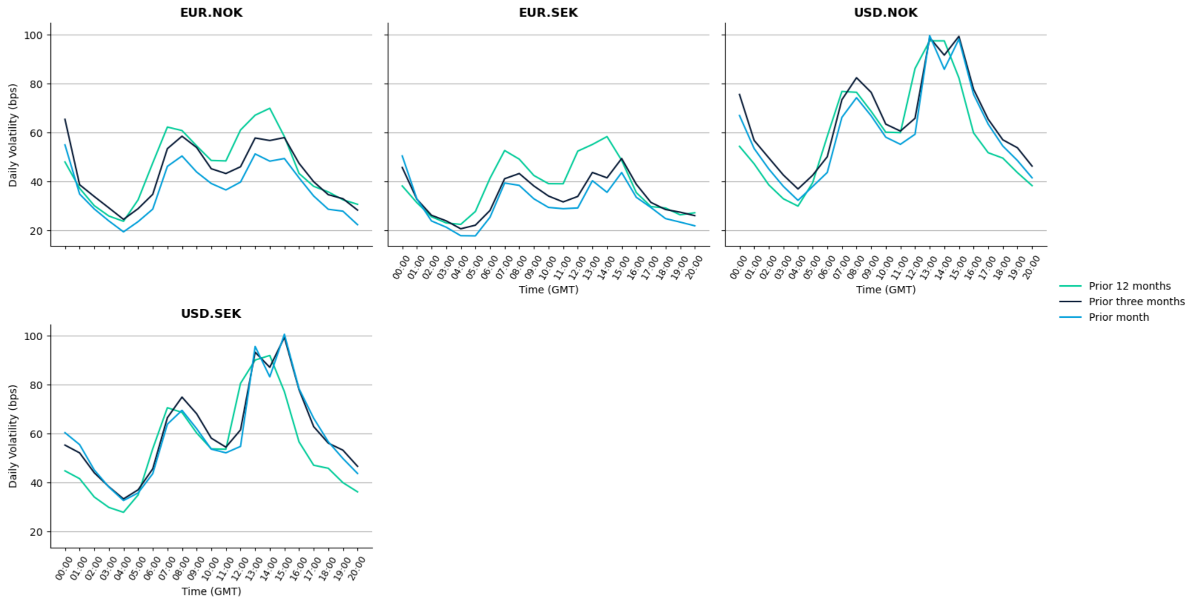

G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT

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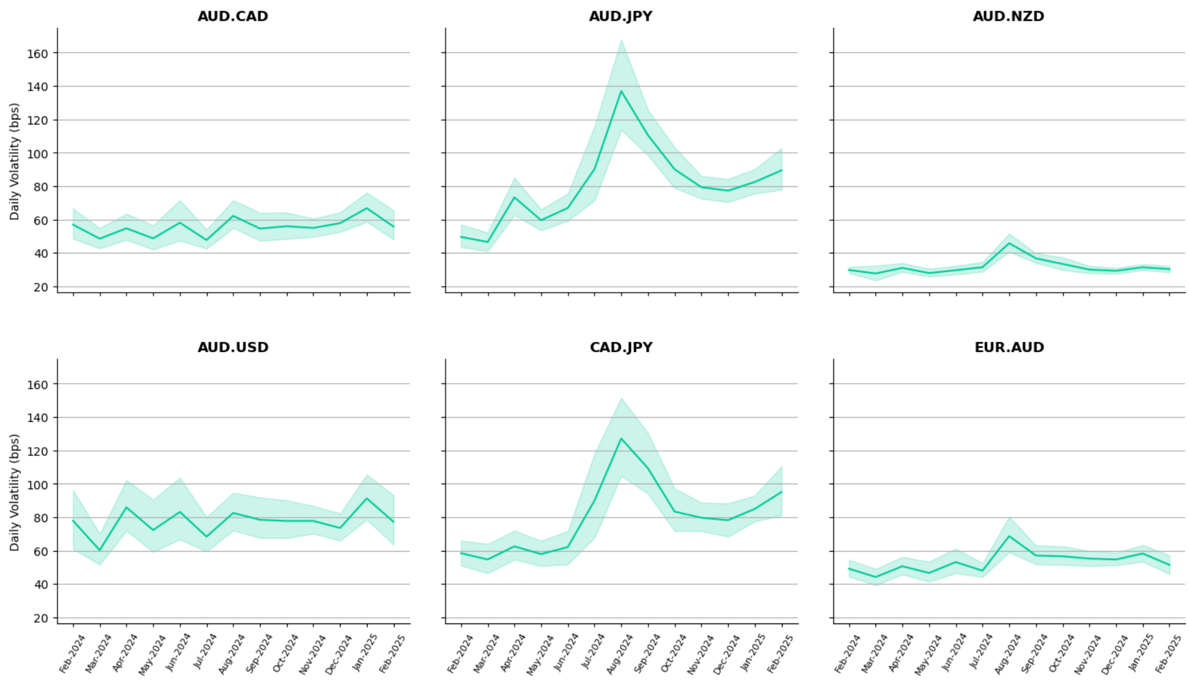

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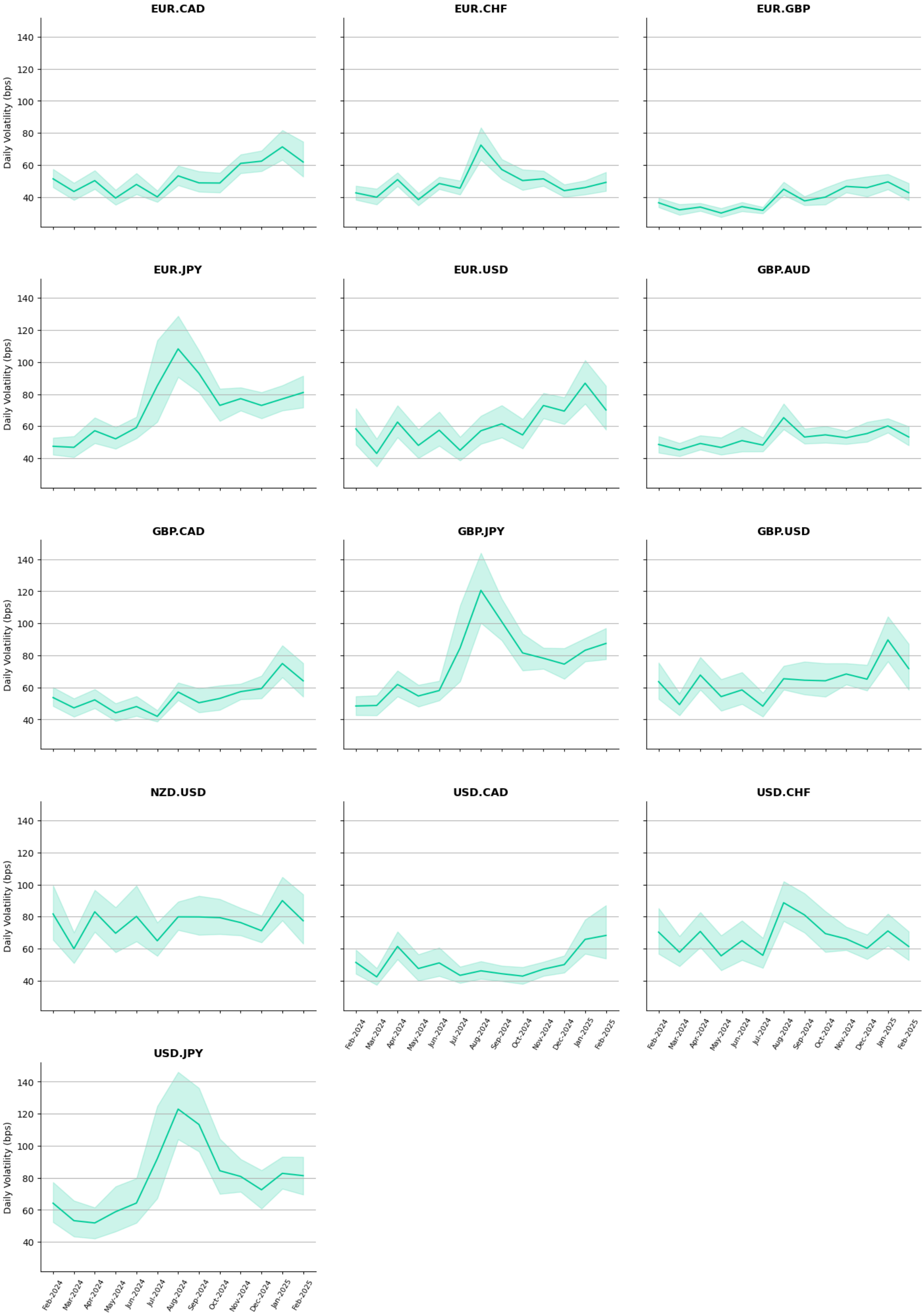

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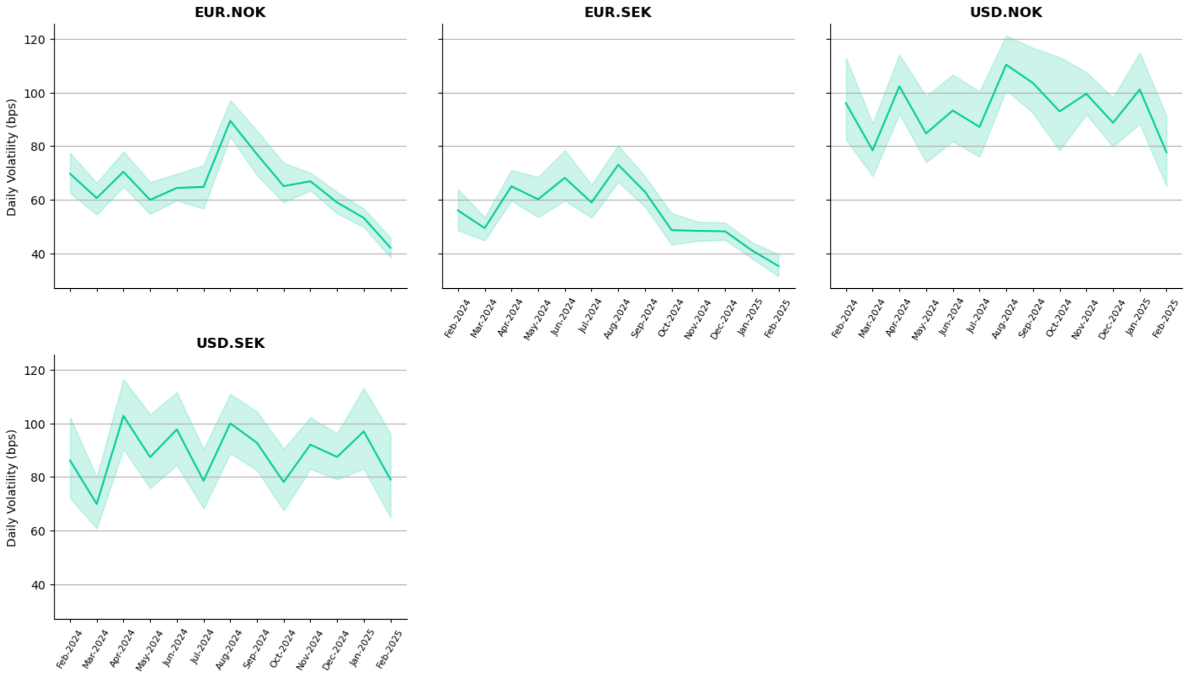

Have questions? To learn more, contact your regional Virtu Analytics representative.
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