

March 2025

# FX Market Structure Monthly

## CHANGES IN SPREAD AND VOLATILITY FOR MAJOR MARKET PAIRS

How have FX markets responded to this past month's wave of political and economic developments, particularly uncertainty surrounding US tariff policies? Volatility has increased notably. In March, hourly volatility rose across global FX markets, with 22 of the 23 G-10 FX currency pairs we monitor experiencing increasing volatility during the 12:00-16:00 pre-WMR window. The magnitude of these spikes is notable, as volatility exceeded levels from 12 months ago for 18 of 23 pairs. Similarly, though to a lesser extent, median spreads widened for 19 of 23 pairs last month. These trends may suggest a period of heightened market uncertainty and shifting trading conditions.

## READING THE RESULTS

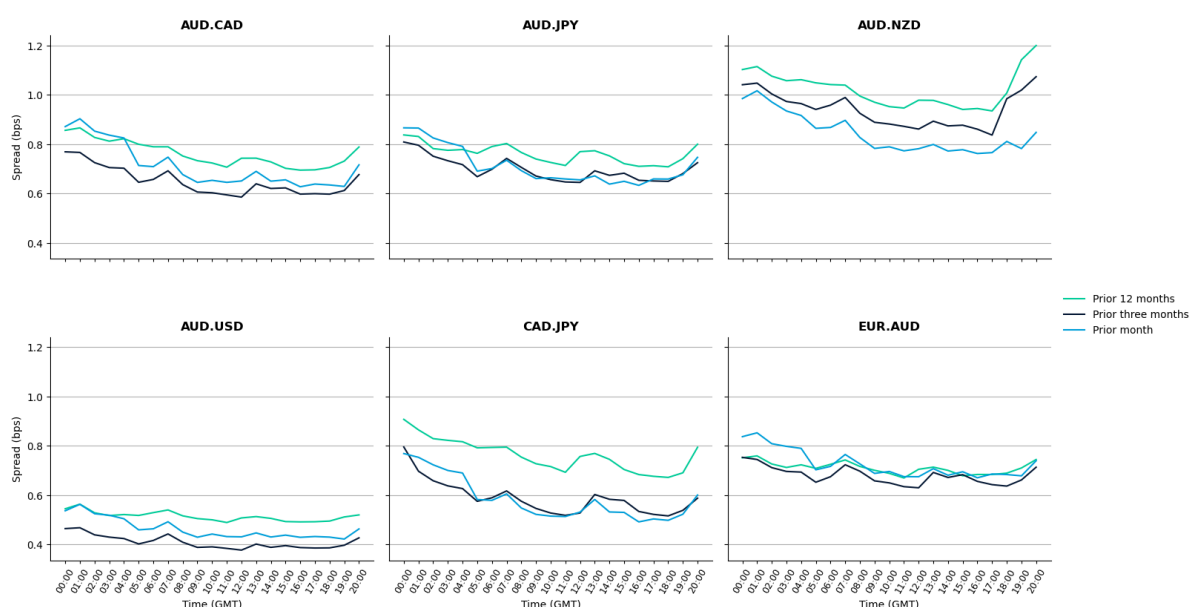
On the intraday charts, the green line represents the average spread or volatility for the past 12 months, the black line represents the past three months, and the blue line represents the past month. On the daily charts, the green area represents the 95th percentile confidence interval for the spread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

## SPREADS

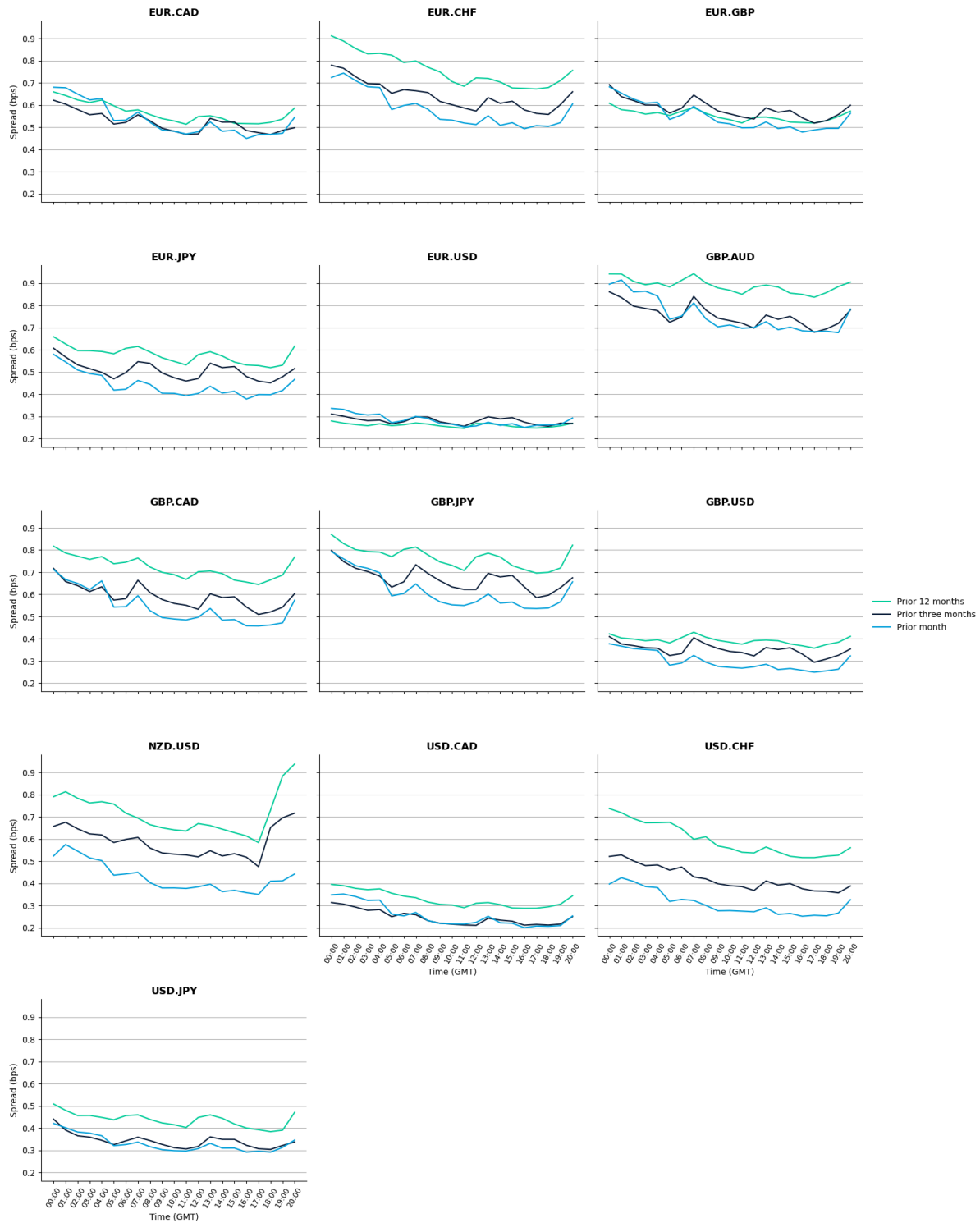
Median spreads increased during the pre-WMR trading window this past month for 19 of the 23 G-10 FX currency pairs, mirroring the rise in FX volatility, though to a lesser degree. In March, median spreads were lower than three months ago for 16 of 23 pairs and lower than six months ago for 15 of 23 pairs. Compared to a year ago, spreads during the 12:00-16:00 GMT trading were higher for only one pair. While spreads widened this month, overall levels remained within the recent range.

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

Comparison over the past month, three months, and year



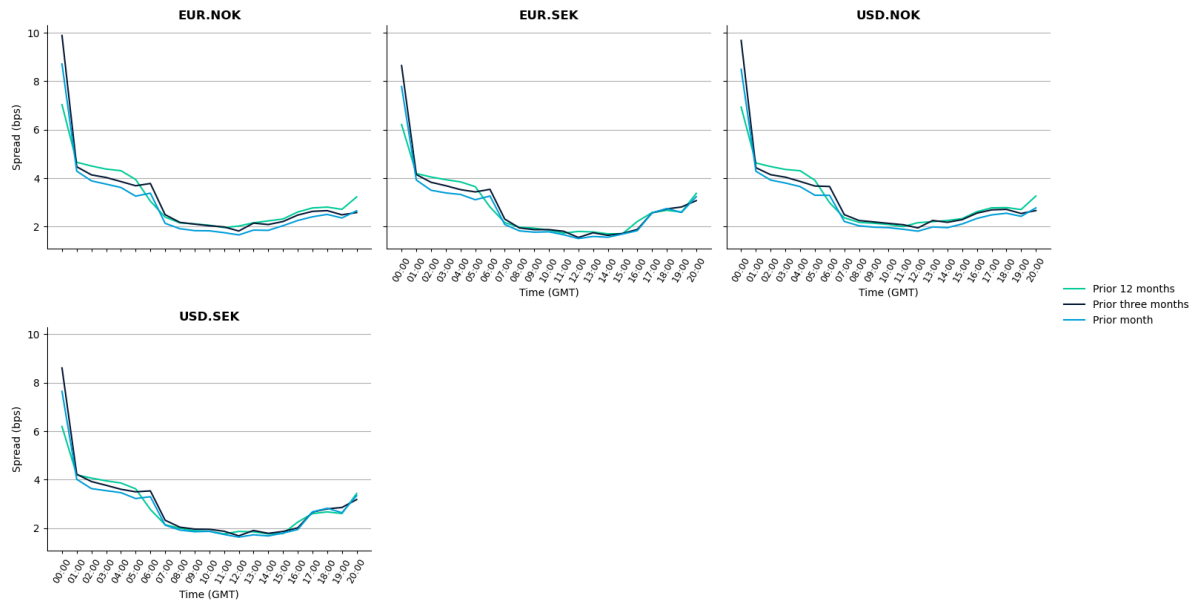
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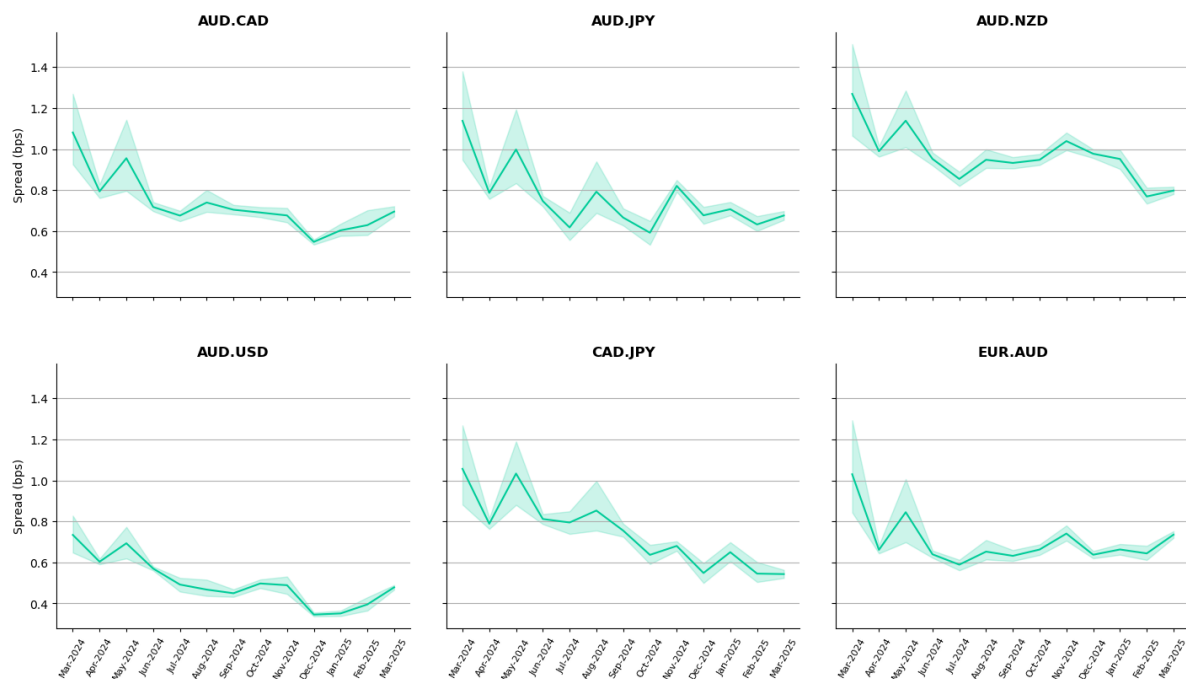
## Scandinavian G-10 Currencies: Average Hourly Spread, 00:00-20:00 GMT

Comparison over the past month, three months, and year



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

March 2024 – March 2025



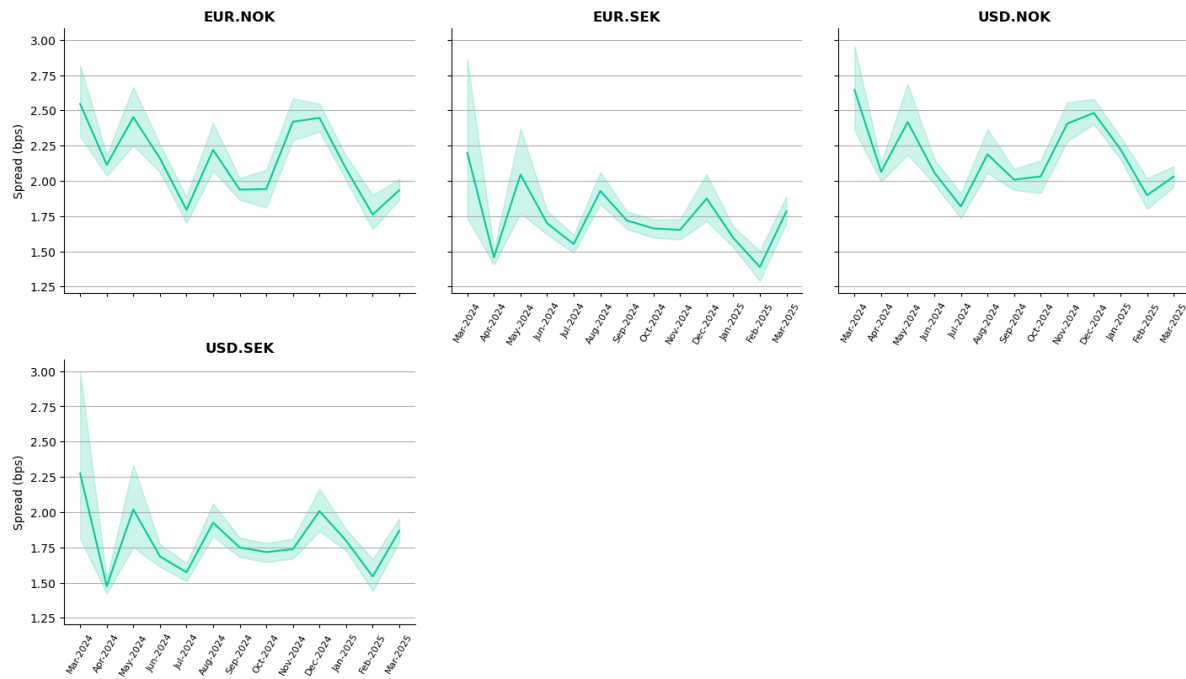


## Scandinavian G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT March 2024 – March 2025



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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.





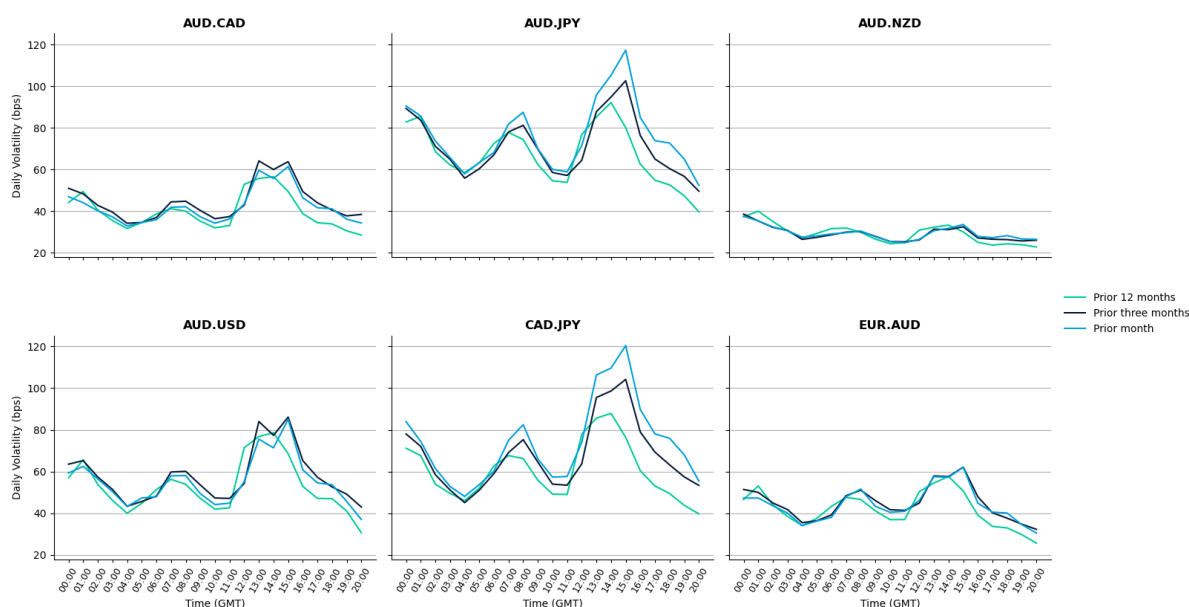
## VOLATILITY

Median volatility rose during the 12:00-16:00 pre-WMR trading window in March for 22 of the 23 G-10 FX currency pairs that we monitor, including six of seven majors. Compared to three, six and 12 months ago, volatility spiked across most pairs globally. On an intra-day basis, daily EUR.USD and GBP.USD volatility increased from a peak of 80 bps 12 months ago to approximately 100 bps today. Somewhat unexpectedly, USD.CAD peak intra-day volatility declined from 100 bps a year ago to 80 bps in March.

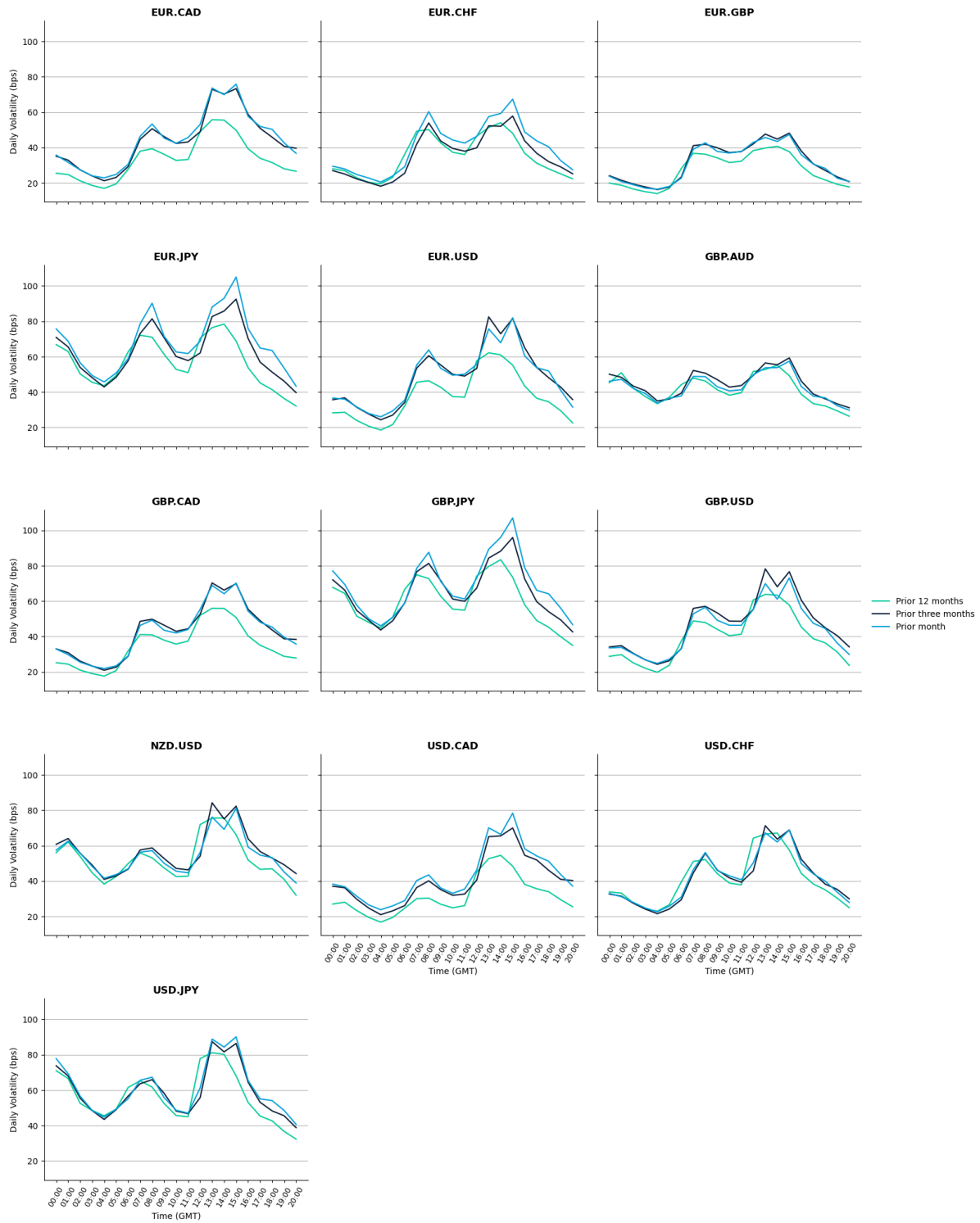
Looking more closely at the intra-day volatility charts below, we note two peaks in daily volatility—at about 9:00 and 14:00 GMT—coinciding with the openings of the London and New York FX trading sessions. The magnitude of these movements varied by currency pair, with the sharpest fluctuations occurring in JPY pairs. This pattern is consistent across all currencies and aligns closely with London Stock Exchange hours.

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

Comparison over the past month, three months, and year



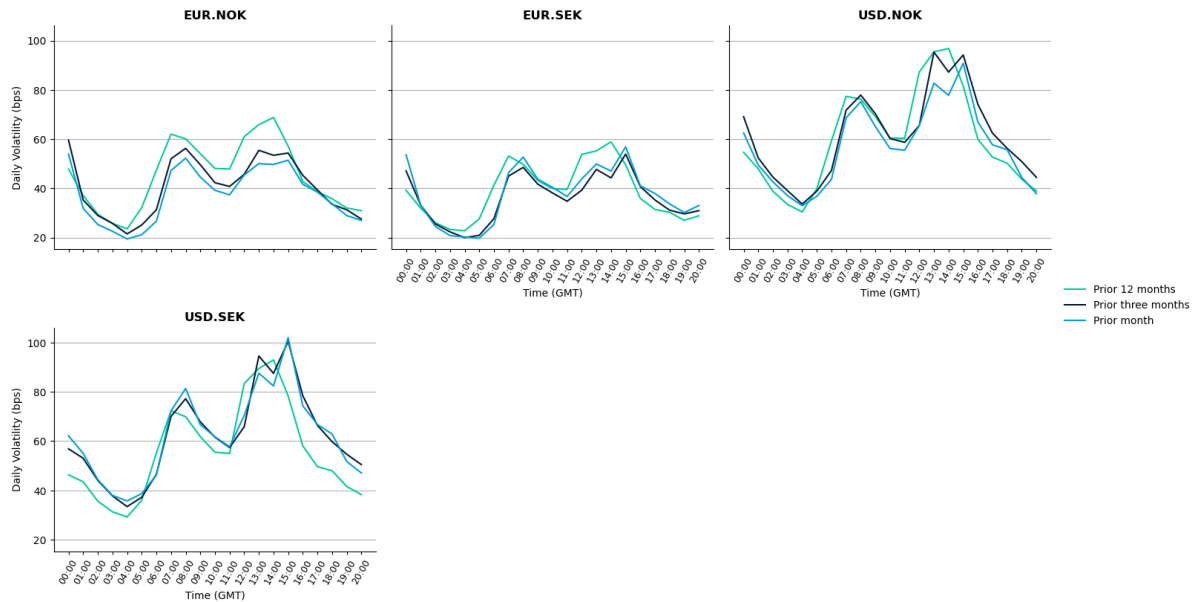
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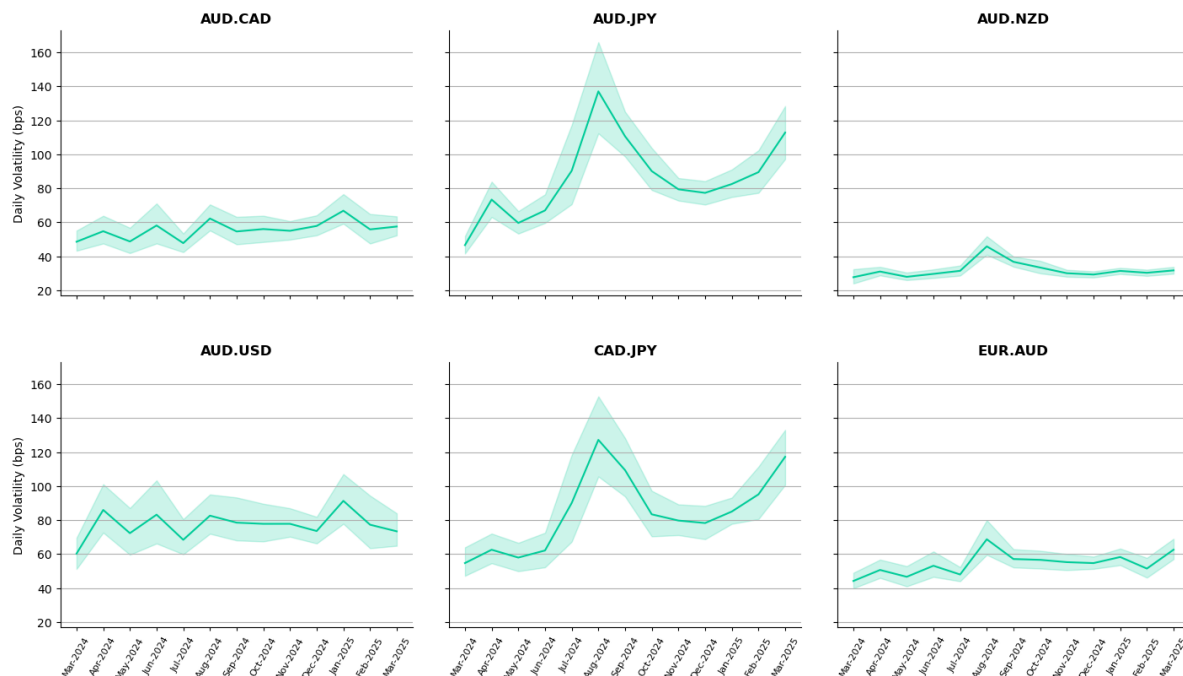
## Scandinavian G-10 Currencies: Average Hourly Volatility, 00:00-20:00 GMT

Comparison over the past month, three months and year



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

March 2024 – March 2025







## Scandinavian G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT March 2024 – March 2025



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