

November 2024

FX Market Structure Monthly

CHANGES IN SPREAD AND VOLATILITY FOR MAJOR MARKET PAIRS

Median FX spreads widened across 20 currency pairs in November, reflecting the geopolitical impact of events such as the US election on the FX market. AUD.JPY, EUR.NOK, and USD.NOK saw the most notable increases in spreads during the 12:00-16:00 GMT pre-WMR trading window. Median volatility also rose for 18 currency pairs, mirroring the movement of spreads. Notably, all four Scandinavian pairs exhibited increased volatility.

READING THE RESULTS

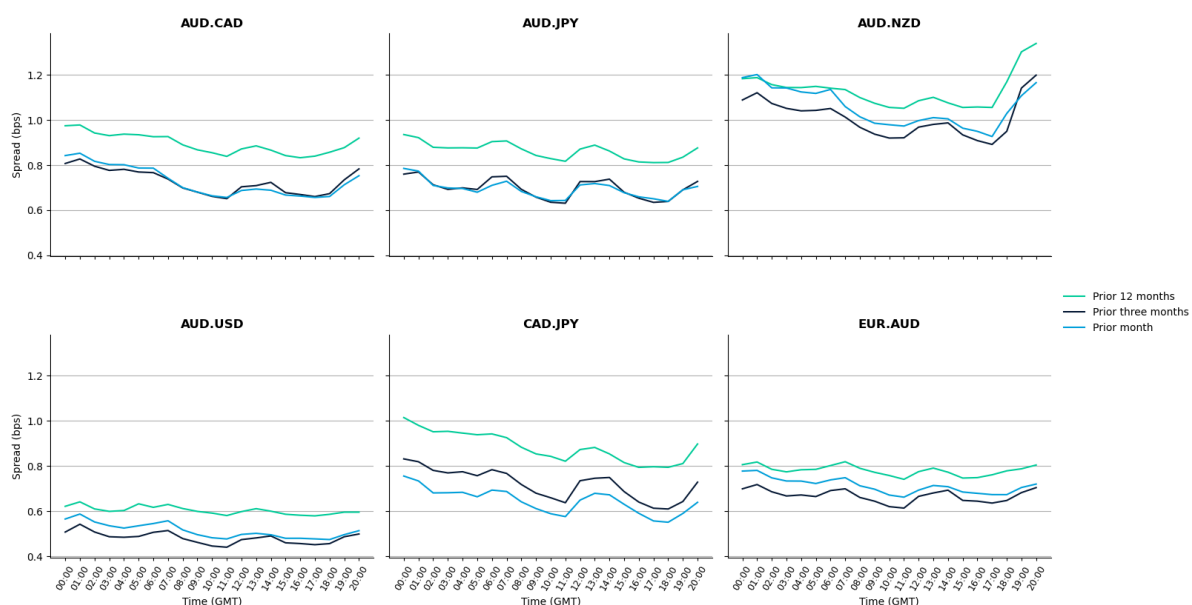
On the intraday charts, the green line represents the average spread or volatility for the past 12 months, the black line represents the past three months, and the blue line represents the past month. On the daily charts, the green area represents the 95th percentile confidence interval for the spread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

SPREADS

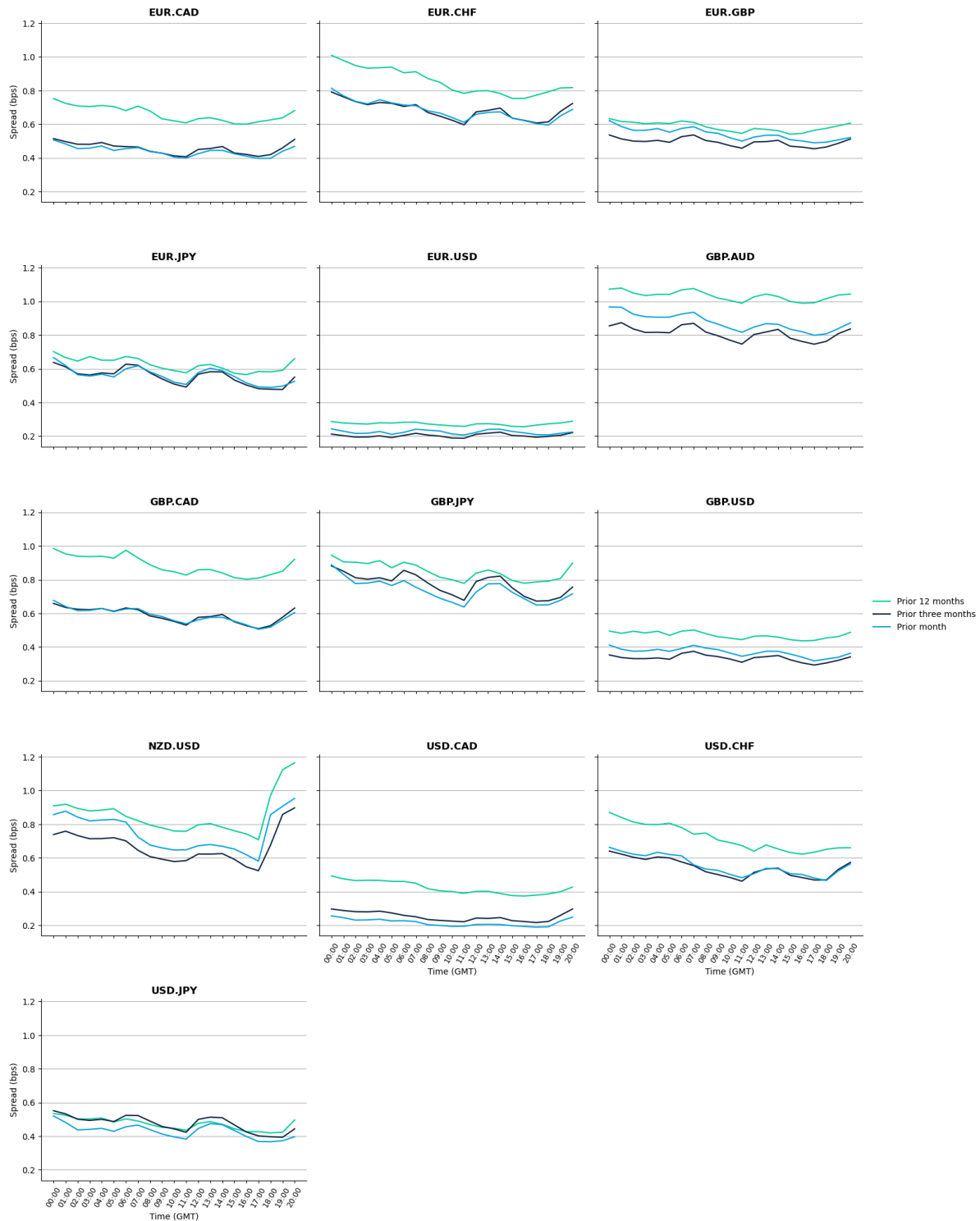
Although spreads widened across most currency pairs, intraday spread patterns remained consistent with historical trends. Typically, spreads narrow between 12:00 and 16:00 GMT as traders prepare for the WMR auction. However, this month, spreads declined slightly during this period and escalated after the WMR auction. Overall, spreads were comparable to or higher than the three-month levels but generally lower than 12-month levels, indicating more activity in FX markets this month.

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

Comparison over the past month, three months, and year



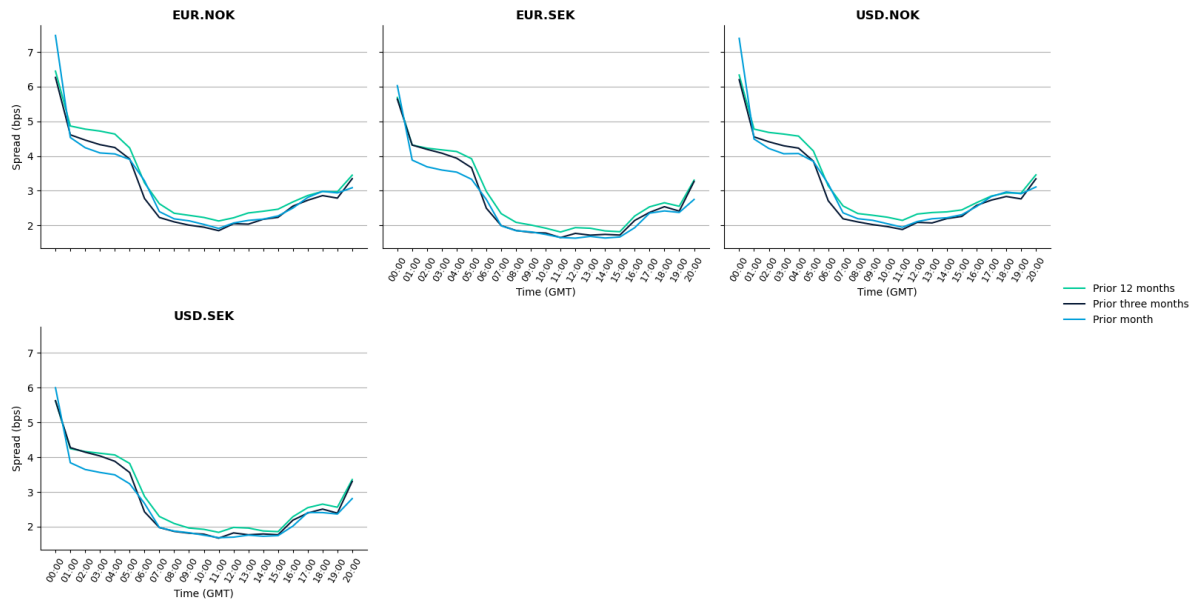
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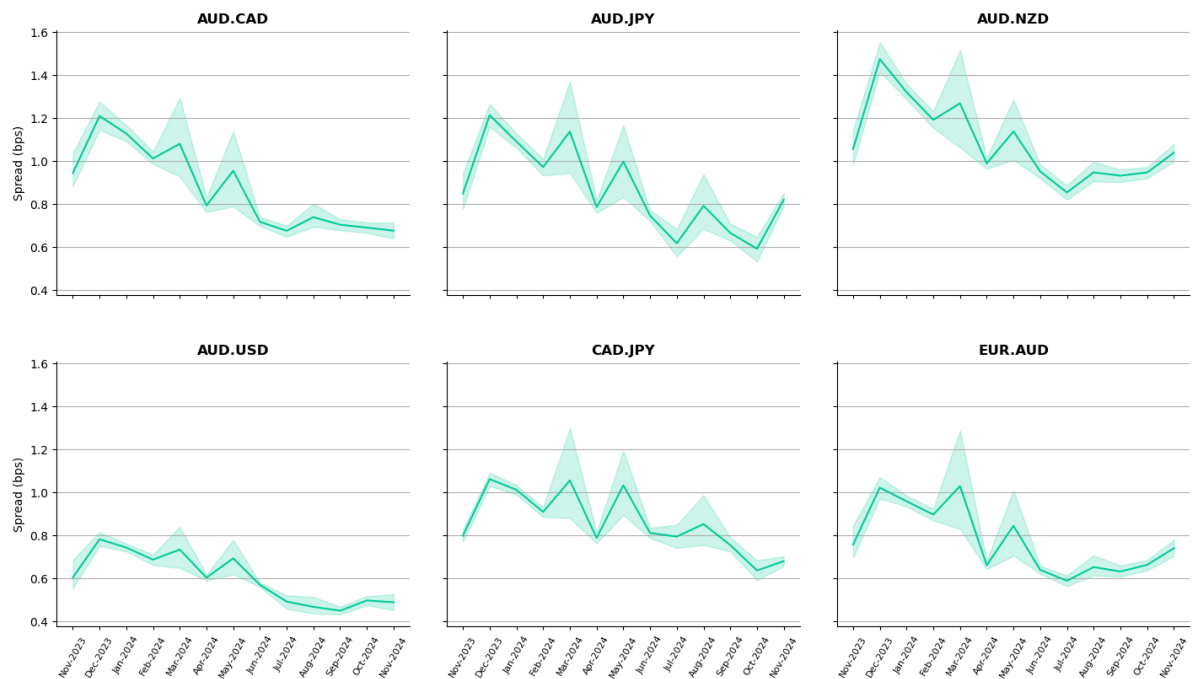
Scandinavian G-10 Currencies: Average Hourly Spread, 00:00-20:00 GMT

Comparison over the past month, three months, and year



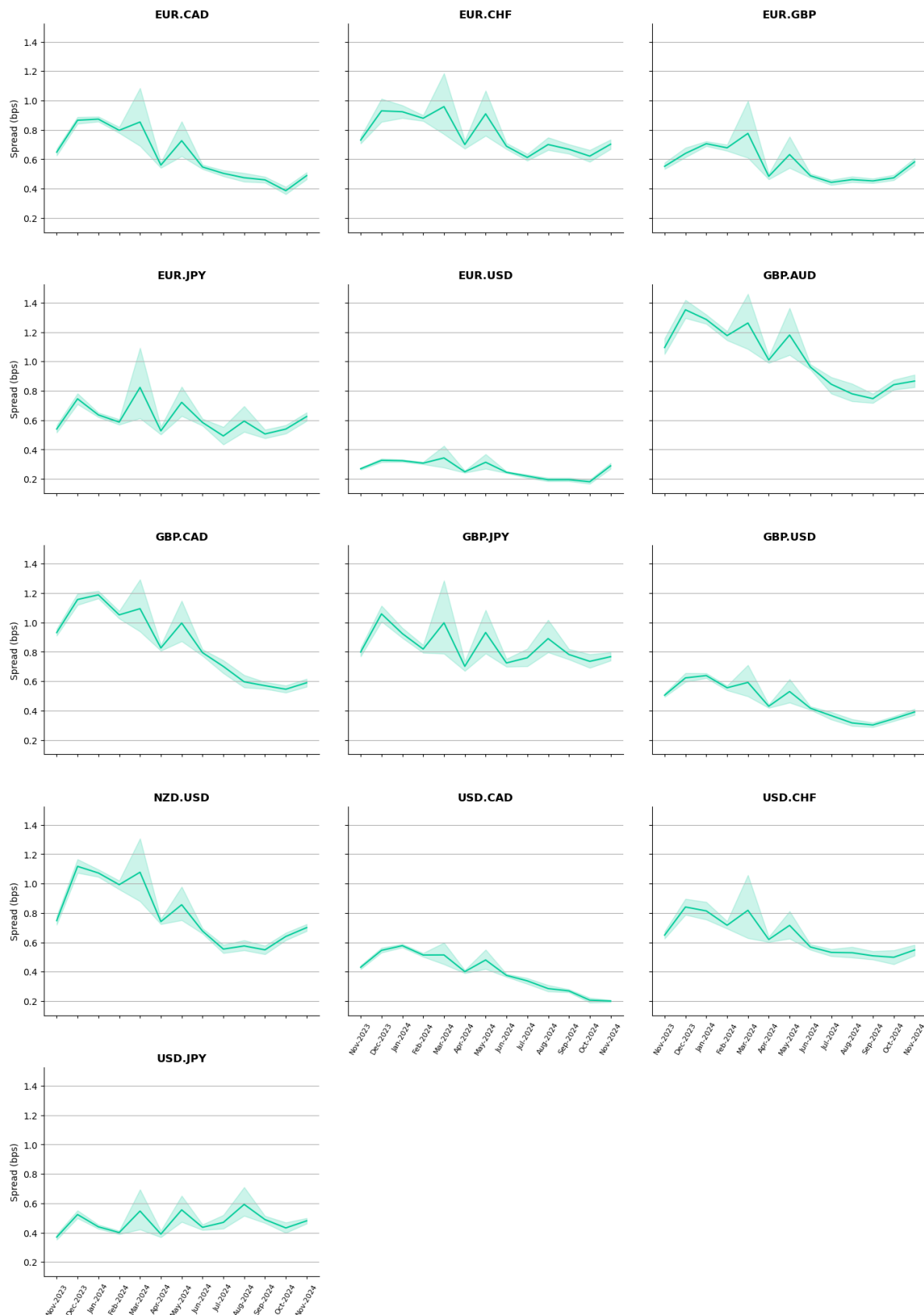
G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT

November 2023 – November 2024

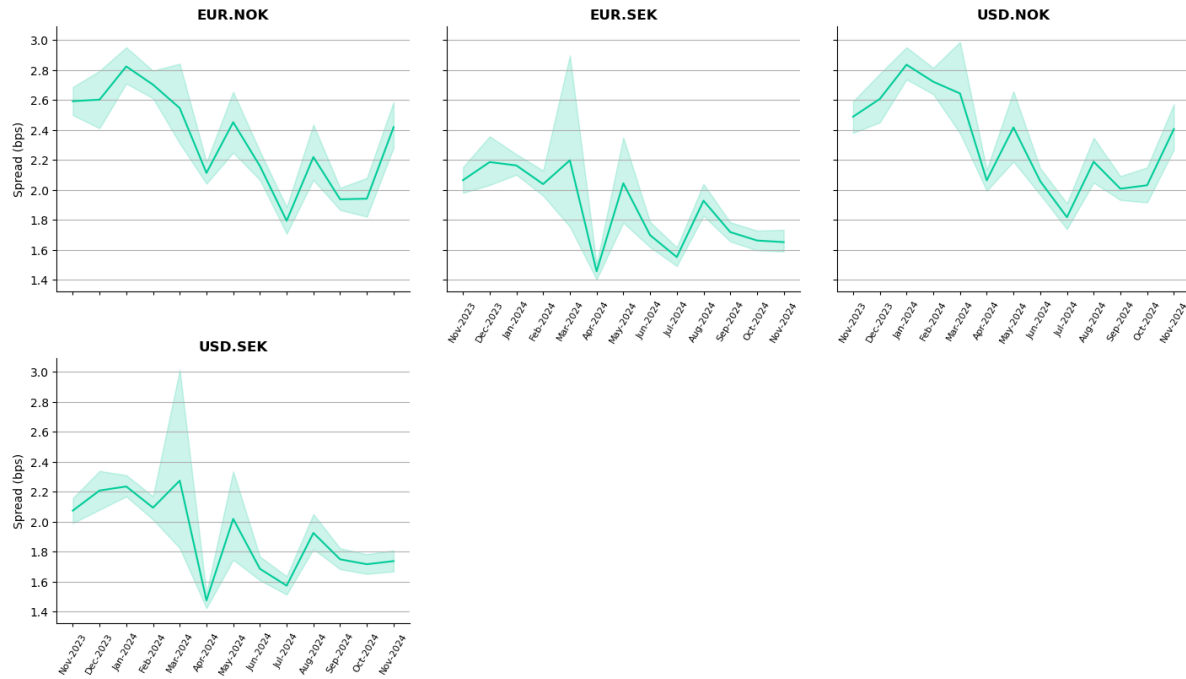




Scandinavian G-10 Currencies: Average Daily Spread, 12:00-16:00 GMT November 2023 – November 2024



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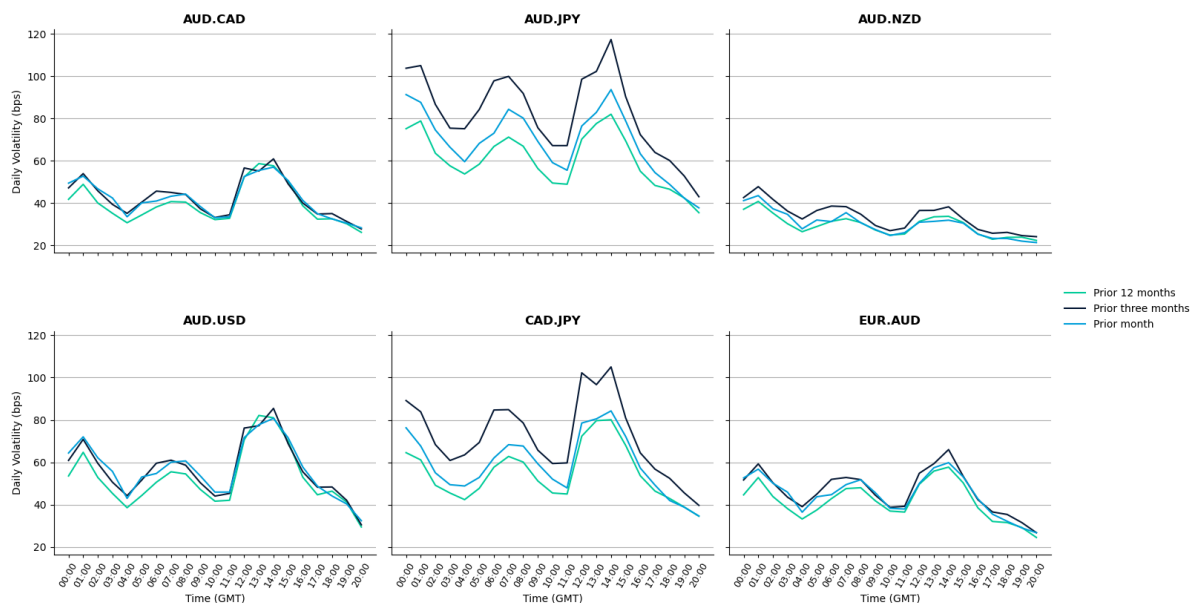
VOLATILITY

FX volatility has increased for most currency pairs over the last six months, with this trend continuing into November as 18 pairs experienced increased volatility. The most significant increases over the past year have been in JPY currency pairs, with volatility peaking in August following the Bank of Japan's decision to end its Quantitative and Qualitative Monetary Easing with Yield Curve Control. Since then, JPY volatility gradually decreased. For other currency pairs, volatility remained relatively consistent with previous records.

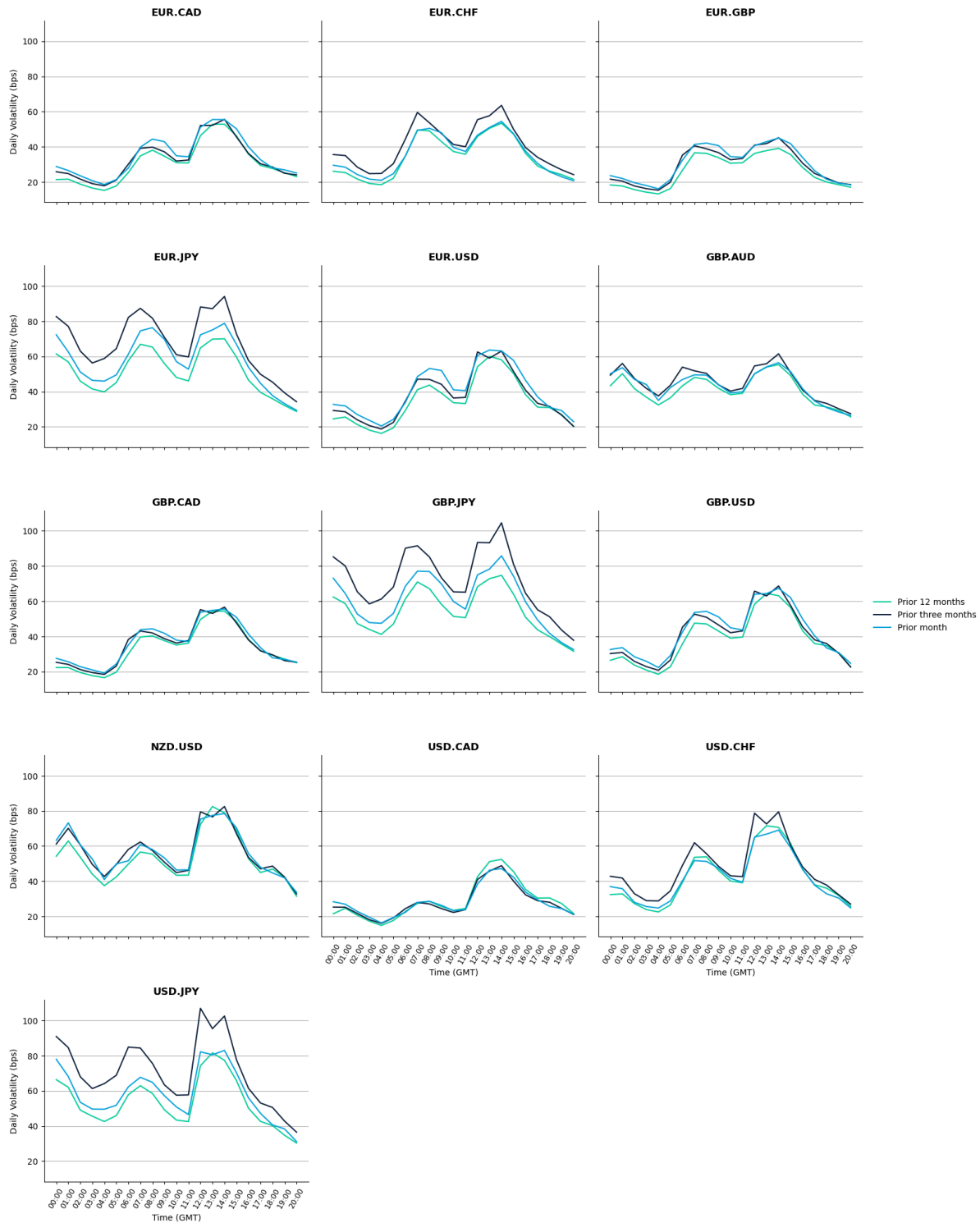
A closer analysis of average hourly volatility reveals a steady daily pattern, with heightened activity between the hours of 4:00–10:00 GMT and 12:00–17:00 GMT. While the scale of movement varies across currency pairs, the most drastic movement seen in JPY currency pairs.

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

Comparison over the past month, three months, and year



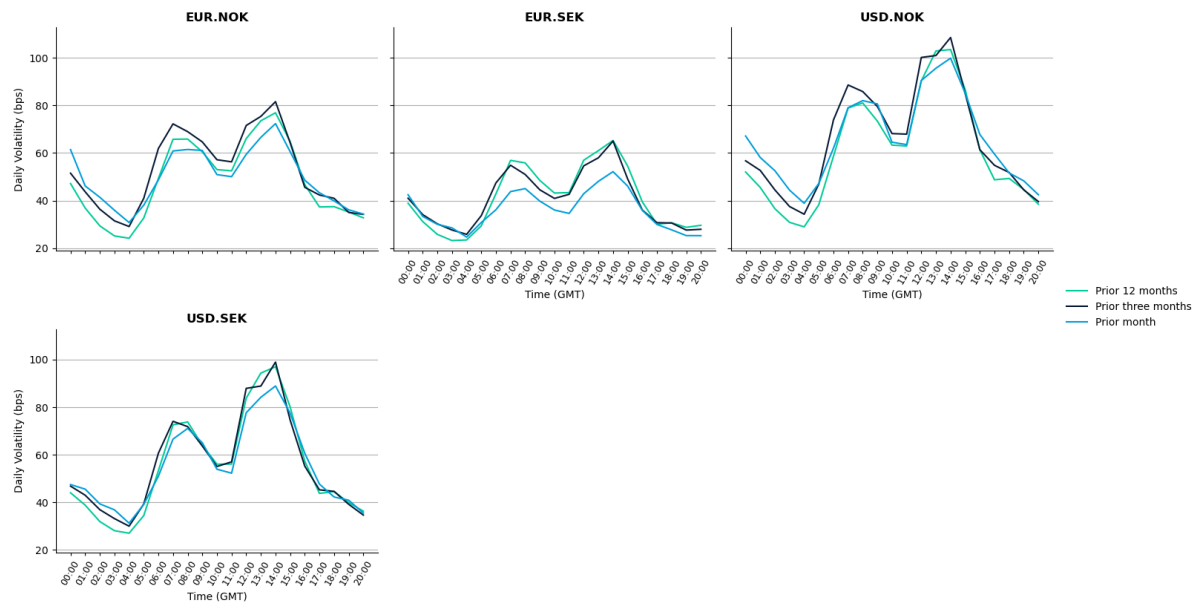
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Scandinavian G-10 Currencies: Average Hourly Volatility, 00:00-20:00 GMT

Comparison over the past month, three months and year



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

November 2023 – November 2024

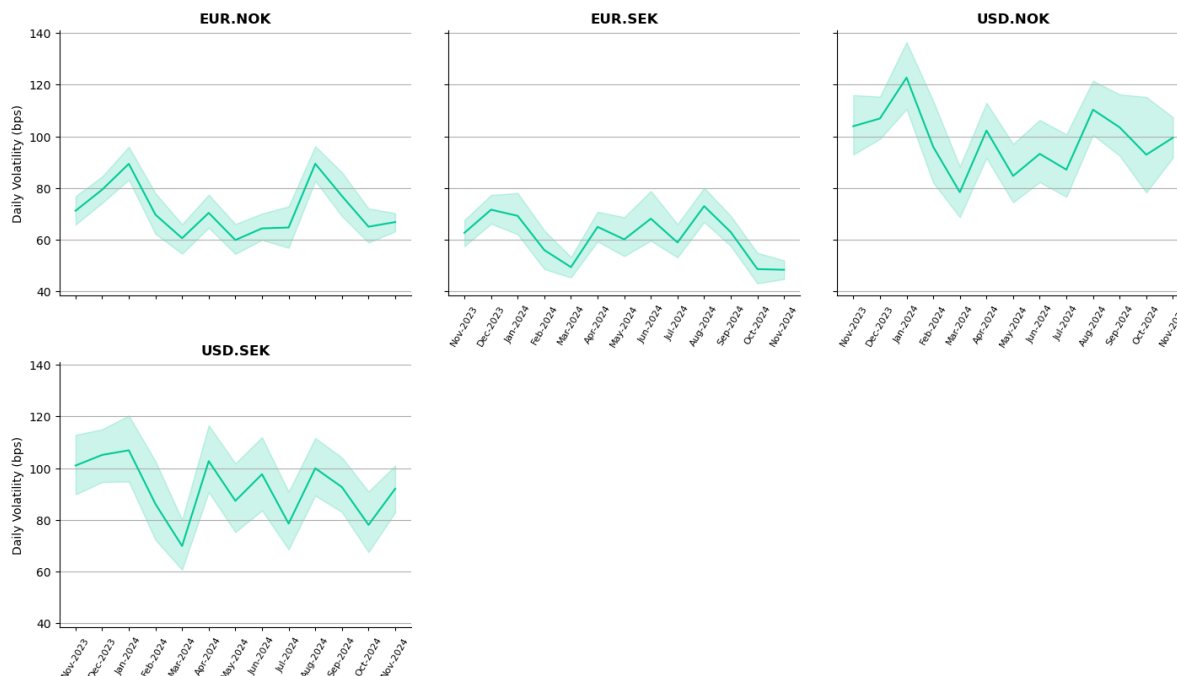




Scandinavian G-10 Currencies: Average Daily Volatility, 12:00-16:00 GMT November 2023 – November 2024



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