

# Press Release

By the Communications Directorate

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## FOREIGN EXCHANGE AND OTC DERIVATIVES MARKET TURNOVER IN ITALY

In April 2022 the Bank of Italy conducted its regular triennial survey on the volume of transactions carried out by the major resident banks in the foreign exchange and in the over-the-counter (OTC) currency and interest rate derivatives markets. The survey was performed by 52 central banks and monetary authorities and was coordinated by the Bank for International Settlements (BIS).

Today, the Bank of Italy releases the national results,<sup>1</sup> while the BIS is publishing its own preliminary global findings ([https://www.bis.org/statistics/about\\_derivatives\\_stats.htm](https://www.bis.org/statistics/about_derivatives_stats.htm)).

In Italy, in April 2022 the turnover in foreign exchange and OTC currency derivatives amounted to almost \$380 billion (Table 1), just below that recorded in the previous survey conducted in April 2019 (\$385 billion). The trading volume of interest rate derivatives increased from \$261 billion to \$417 billion. In the foreign exchange and currency derivatives market, the dollar remains the reference currency, with transactions amounting to \$198 billion.

As regards the type of instrument, in Italy the foreign exchange swap remains that most widely used on the foreign exchange and currency derivatives market (\$261 billion; Table 2). With reference to interest rate derivatives, there is a greater use of forward rate agreements compared to April 2019 (\$147 billion, compared to \$25 billion in April 2019; Table 3).

The results by type of counterparty show that most of the transactions are carried out with non-resident banks (for a turnover of \$314 and \$291 billion in the foreign exchange and currency derivatives and interest rate derivatives markets, respectively; Table 4).

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<sup>1</sup> The Italian survey was conducted on a sample of 21 banks. According to the information contained in the supervisory reports transmitted to the Bank of Italy, these banks account for about 97.5 per cent of the value of the transactions done in the OTC foreign exchange and derivatives markets, a share similar to that reported in 2019. The survey looks at the value, in terms of nominal and notional amounts, expressed in dollar equivalent, of the new contracts signed in April 2022. The survey results are expanded to the entire Italian market. Based on the common methodology defined by the BIS, no corrections are made to the data, for example to take into account the change in exchange rates between the two periods or inflation. Furthermore, in the tables published here, no correction is made for the number of working days (equal to 20 and 19, respectively in April 2019 and April 2022).

Table 1

**Turnover in foreign exchange and derivatives contracts in Italy (1)**  
 (millions of US dollars)

	2019	2022
<b>Foreign exchange contracts - currency pair</b>	<b>385,259</b>	<b>379,701</b>
Dollar - euro	226,482	198,386
Dollar – other currencies	84,593	89,683
Euro - other currencies	71,990	89,843
Other currencies - other currencies	2,194	1,789
<b>Interest rate derivatives – single currency</b>	<b>261,062</b>	<b>417,369</b>
Euro	226,109	395,710
Dollar	31,638	20,251
Other currencies	3,315	1,408

Source: Bank of Italy, Triennial Surveys of Foreign Exchange and OTC Derivatives Market Activity .

Note: (1) Data refer to the following contracts: spot transactions, outright forwards, foreign exchange swaps, currency swaps, options and other FX products. Interest rate derivatives – single currency – covers forward rate agreements, overnight indexed swaps, other interest rate swaps and options. The data is adjusted for local inter-dealer double counting ('net-gross'). Rounding may cause discrepancies in totals.

Table 2

**Turnover in foreign exchange and derivatives contracts in Italy,  
 by instrument and currency pair (1)**  
 (millions of US dollars)

	Dollar/ Euro	Dollar/ other currencies	Euro/other currencies	Other currencies/other currencies	Total	of which:	
						Total euro	Total dollar
<b>2022</b>							
Currency swaps	715	249	331	-	<b>1,294</b>	1,046	964
Foreign exch. swaps	125,728	67,112	67,595	410	<b>260,846</b>	193,323	192,840
Options	8,047	1,356	857	1	<b>10,262</b>	8,904	9,403
Outright forwards	16,825	7,088	7,925	309	<b>32,147</b>	24,750	23,913
Spot	47,072	13,878	13,135	1,066	<b>75,151</b>	60,207	60,950
<b>Total</b>	<b>198,386</b>	<b>89,683</b>	<b>89,843</b>	<b>1,789</b>	<b>379,699</b>	<b>288,229</b>	<b>288,069</b>
<b>2019</b>							
Currency swaps	327	4	862	-	<b>1,194</b>	1,189	331
Foreign exch. swaps	190,096	70,006	39,590	835	<b>300,528</b>	229,686	260,102
Options	4,295	1,441	21,310	192	<b>27,240</b>	25,605	5,736
Outright forwards	6,562	1,841	2,667	43	<b>11,113</b>	9,229	8,403
Spot	25,201	11,300	7,562	1,124	<b>45,187</b>	32,763	36,501
<b>Total</b>	<b>226,482</b>	<b>84,593</b>	<b>71,990</b>	<b>2,194</b>	<b>385,261</b>	<b>298,472</b>	<b>311,075</b>

Source: Bank of Italy, Triennial Surveys of Foreign Exchange and OTC Derivatives Market Activity.

Note: (1) The data is adjusted for local inter-dealer double counting ('net-gross'). Rounding may cause discrepancies in totals.

Table 3

**Turnover in interest rate derivatives in Italy,  
by instrument and currency (1)**  
(millions of US dollars)

	Euro	Dollar	Other currencies	Total
	<b>2022</b>			
Forward rate agreements	142,076	5,385	-	<b>147,461</b>
Options	25,956	410	-	<b>26,366</b>
Overnight indexed swaps	96,564	12,125	666	<b>109,354</b>
Other interest rate swaps	131,114	2,331	743	<b>134,188</b>
<b>Total</b>	<b>395,710</b>	<b>20,251</b>	<b>1,408</b>	<b>417,369</b>
	<b>2019</b>			
Forward rate agreements	18,146	7,345	-	<b>25,490</b>
Options	4,961	3,629	481	<b>9,071</b>
Overnight indexed swaps	84,511	9,844	62	<b>94,416</b>
Other interest rate swaps	118,491	10,821	2,772	<b>132,084</b>
<b>Total</b>	<b>226,109</b>	<b>31,638</b>	<b>3,315</b>	<b>261,063</b>

Source: Bank of Italy, Triennial Surveys of Foreign Exchange and OTC Derivatives Market Activity.

Note: (1) The contracts refer to the OTC interest rate derivatives markets only. The data is adjusted for local inter-dealer double counting ('net-gross'). Rounding may cause discrepancies in totals.

Table 4

**Turnover in foreign exchange and derivatives contracts in Italy,  
by counterparty (1)**  
(millions of US dollars)

	Foreign exchange	Interest rate	Total
	<b>2022</b>		
Local banks (2)	11,370	30,750	<b>42,120</b>
Cross-border banks (3)	313,920	291,076	<b>604,996</b>
Other financial institutions (4)	17,238	88,484	<b>105,722</b>
Other (5)	37,173	7,059	<b>44,232</b>
<b>Total</b>	<b>379,701</b>	<b>417,369</b>	<b>797,070</b>
Local banks (2)	68,974	28,763	<b>97,737</b>
Cross-border banks (3)	274,101	108,713	<b>382,813</b>
Other financial institutions (4)	22,013	121,072	<b>143,085</b>
Other (5)	20,173	2,515	<b>22,688</b>
<b>Total</b>	<b>385,261</b>	<b>261,063</b>	<b>646,323</b>

Source: Bank of Italy, Triennial Surveys of Foreign Exchange and OTC Derivatives Market Activity.

Note: (1) The data is adjusted for local inter-dealer double counting ('net-gross'). Rounding may cause discrepancies in totals. (2) Banks resident in Italy participating in the BIS survey. - (3) Banks not resident in Italy taking part in the BIS survey. (4) Resident and non-resident financial institutions participating in the BIS survey. (5) Non-financial resident and non-resident counterparties.