

foreign exchange committee



Minutes of the Foreign Exchange Committee Meeting

Meeting: March 22, 2022

Host: Video Conference Meeting

FXC Attendees

Chris Vogel (TD Securities) - Chair
Jessica Sohl (HC Tech) - Vice Chair
Hemant Bajjal (Invesco)
Yudhveer Chaudhry (Blackrock)
Jose Luis Daza (QFR Capital Mgmt)
Michael Eyre (Vanguard)

Akiko Hayata (Payden & Rygel)
Ben Klixbull (XTX Markets)
Robert Kim (JPMorgan Chase)
Jeffrey Knapp (Coca-Cola)
Marisa Kurk (Northern Trust)
Russell Lascala (Deutsche Bank)

Dan Lennon (CLS)
Jodi Schenck (Citibank)
Sean Tully (CME Group)
Adam Vos (BNYMellon)

Federal Reserve Bank of New York (FRBNY)

Anna Nordstrom
Lisa Chung
Alex Cohen
Sanja Peros
Thomas Noone

Shawei Wang
Patrick Douglass
Pertshuhi Torosyan
Geza Sardi

Federal Reserve Board of Governors

Alain Chaboud

The Foreign Exchange Committee (FXC) Chair provided opening remarks to the Committee, which met for a second time outside its normal schedule to discuss developments in the FX market related to Russia's invasion of Ukraine.

1. Markets Discussion

The discussion covered several topics discussed at the previous meeting on March 4.

- Members shared views on the operational and settlement issues that have arisen in the Russian banking sector, including operational challenges experienced in the transition to ruble-denominated nostro accounts from sanctioned banks to non-sanctioned banks. Members noted that progress is being made in this area, and it appeared that related settlement issues have been manageable thus far.
- It was noted that the bifurcation of the on- and off-shore ruble market remained. Members discussed the uncertainty regarding the outlook for ruble fixings on the Moscow Exchange (MOEX) as they await further guidance on this issue from the Emerging Markets Trade Association (EMTA).
- Members also discussed Russia's recent payment of dollar bond coupons that were due on March 16. In general, members noted that the recent announcement to remove Russia from bond indices may have implications for the management of international bond funds.
- Separately, it was noted that the National Bank of Ukraine (NBU) continues to post a fixing rate for the Ukrainian hryvnia. The rate, however, has remained unchanged since the invasion.
- Lastly, members expressed thoughts on global dollar funding, noting that conditions have improved since the prior FXC meeting.

The next FXC meeting is scheduled for April 6, 2022.