

Using TR data to measure onshore and offshore FX activity in Latam

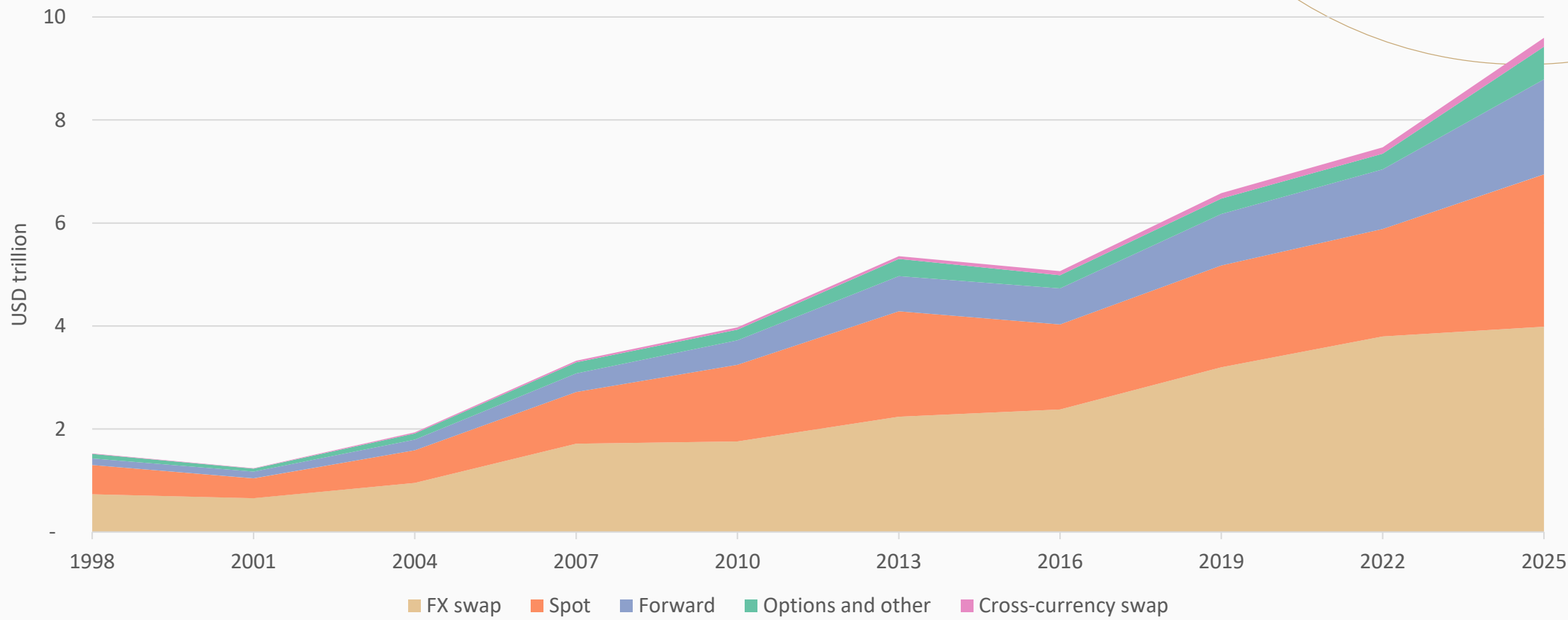
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The global FX market generates almost US\$10 trillion in daily turnover and operates through a variety of instruments, among which FX swaps account for the largest share, reflecting their central role in liquidity management and foreign exchange risk hedging

Global FX turnover

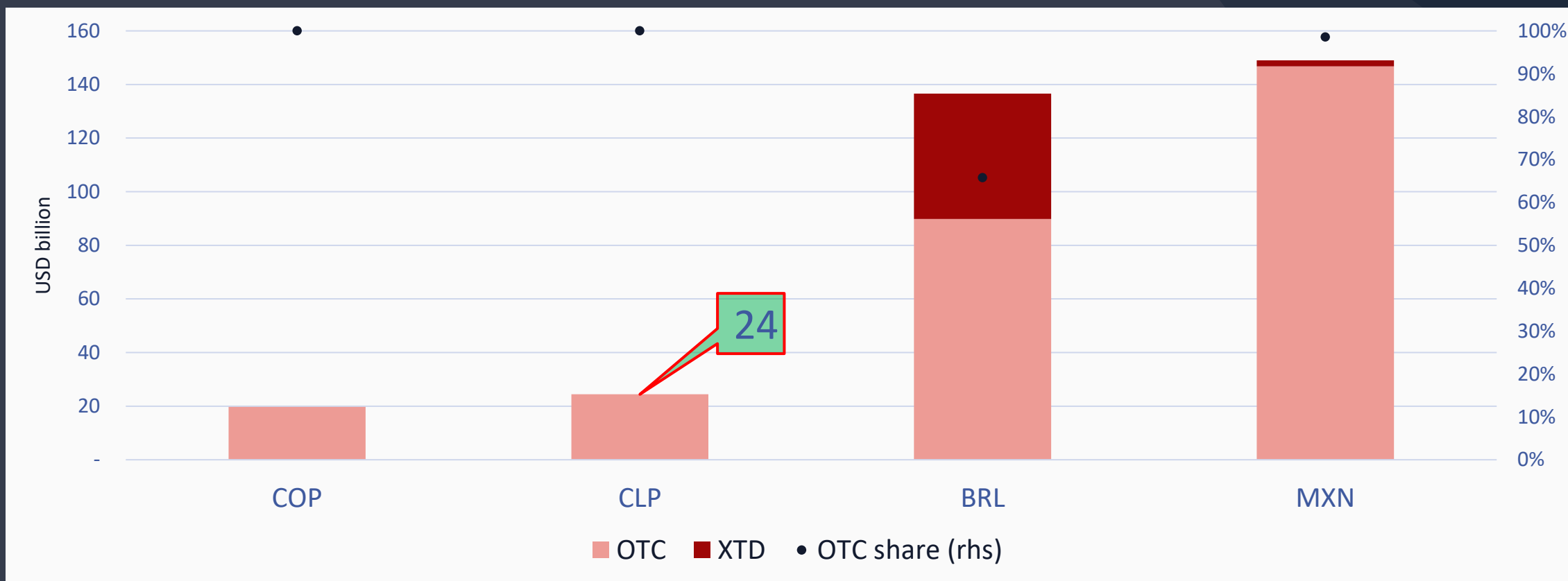
Daily average in April



Trading in major Latam currencies is predominantly conducted in OTC markets, except for BRL, where exchange-traded activity is more prominent

Global FX average daily turnover of Latam currencies

OTC vs. exchange-traded



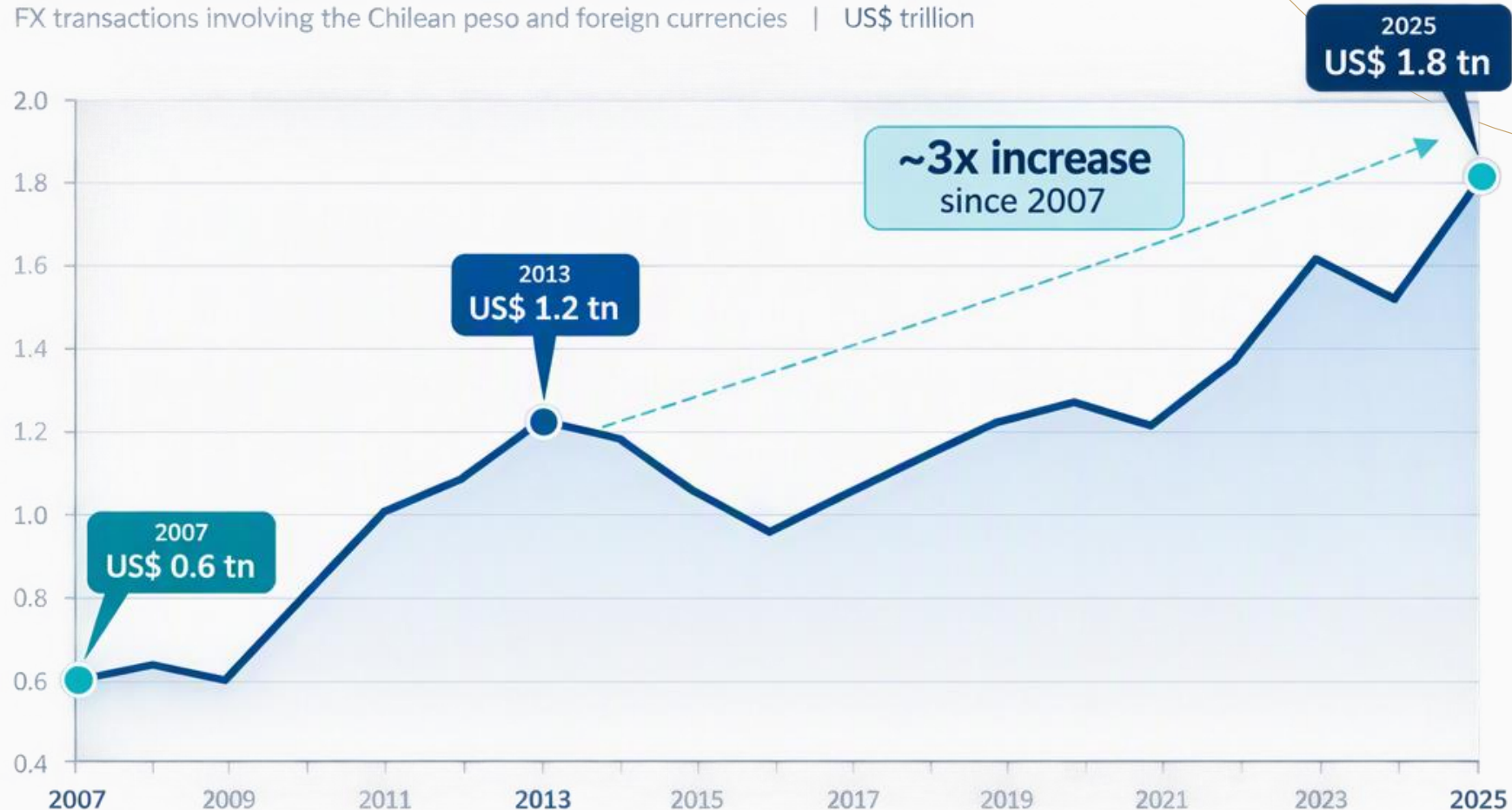
SIID-TR, Chile's central bank-operated trade repository, is the primary source for monitoring domestic FX activity and understanding the evolution of the Chilean peso market



Within Chile, onshore FX derivatives activity has more than tripled since 2007, reaching record levels, reflecting the continued development and deepening of the Chilean peso market

Annual onshore FX derivatives turnover

FX transactions involving the Chilean peso and foreign currencies | US\$ trillion



A comprehensive view of Chilean peso trading should consider both onshore and offshore statistics

- FX transactions involving **at least one counterparty** resident in Chile
- **Source:**
 - Chile: detailed transaction-level data reported to SIID
 - Other Latam: BIS triennial survey



ONSHORE Market

SIID



OFFSHORE Market

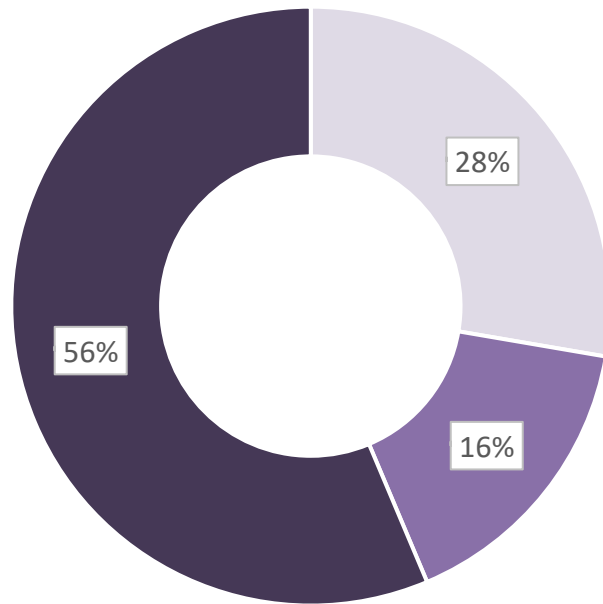
BIS + SIID

- Total FX currency trades **conducted by non-resident counterparties**
- **Source:**
 - CLP: combination of BIS global FX statistics with SIID data
 - Other Latam: BIS triennial survey

CLP FX trading has become increasingly internationalized, exhibiting a balanced onshore-offshore distribution relative to regional peers, with offshore transactions accounting for more than half of total activity

Global FX turnover of CLP

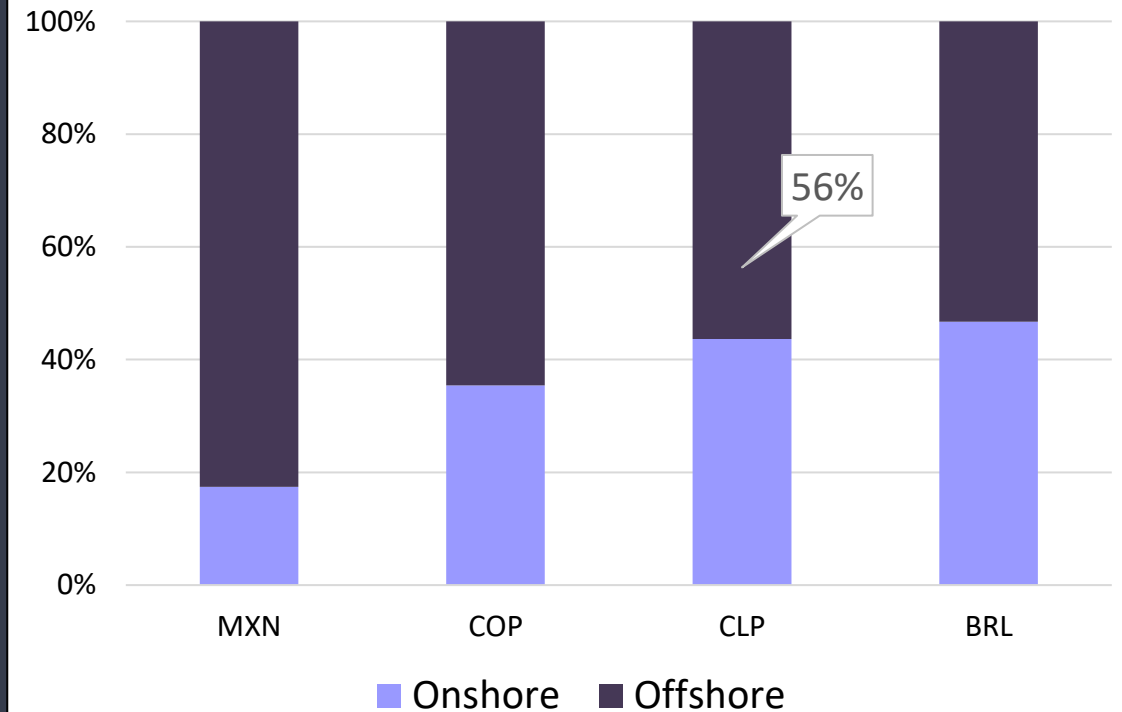
Onshore vs. offshore



■ Onshore local ■ Onshore cross-border ■ Offshore

Global FX turnover of Latam currencies

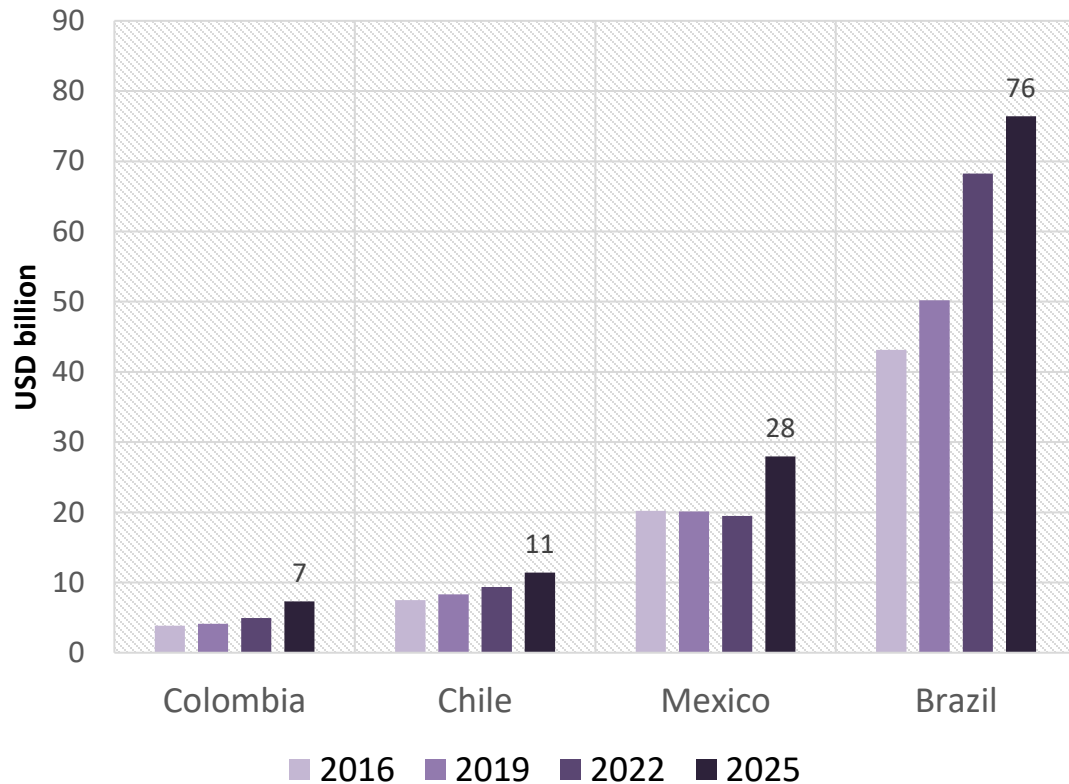
Onshore vs. offshore



Relative to the size of its economy, Chile's onshore FX market is one of the deepest in Latam, with annual turnover exceeding eight times GDP

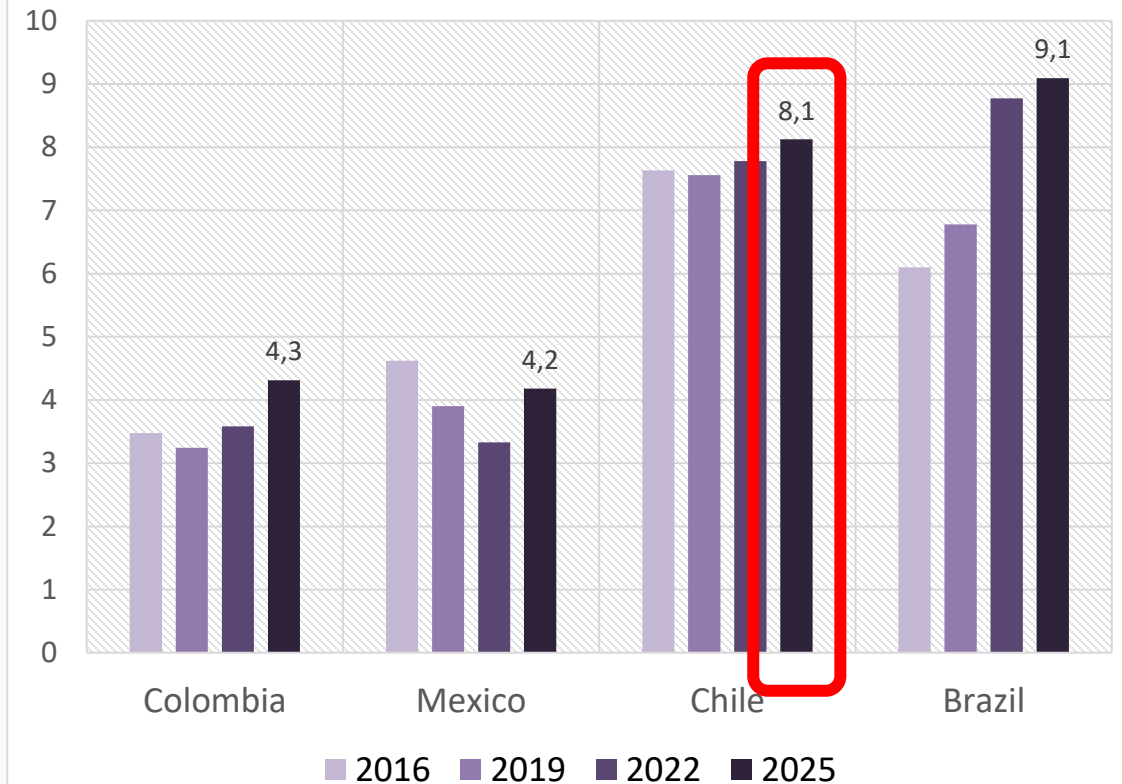
Onshore FX turnover

Daily averages in April



Onshore FX market depth

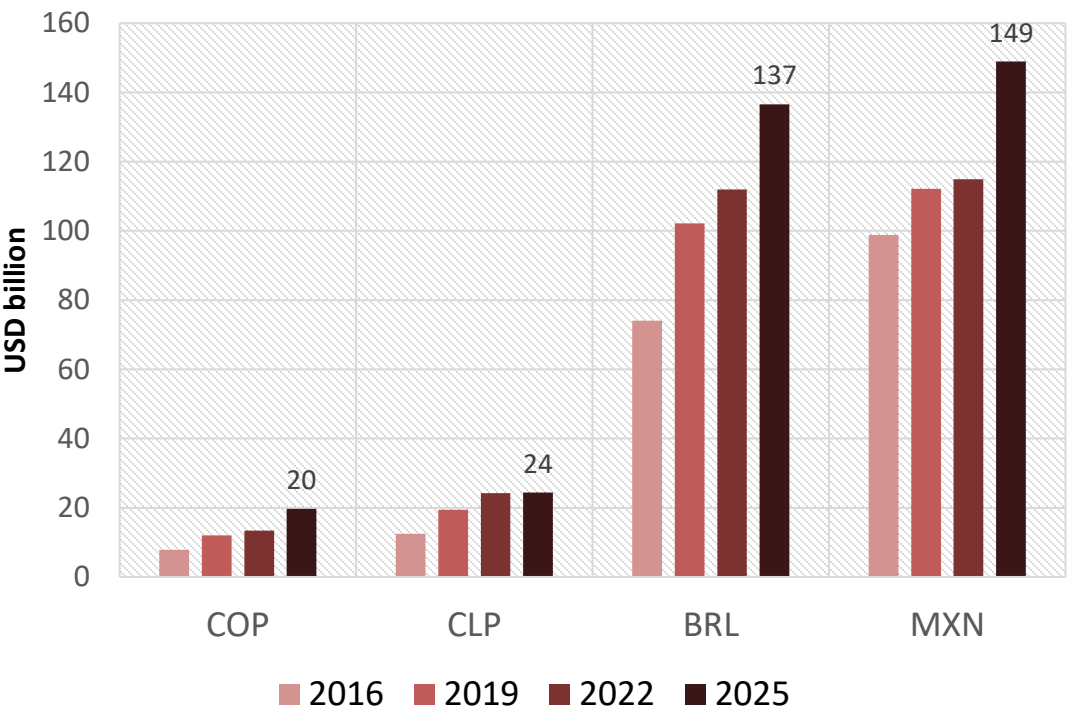
(annual turnover / GDP)



Combining offshore with onshore trading shows that the Chilean peso ranks among the deepest in Latin America relative to economic size

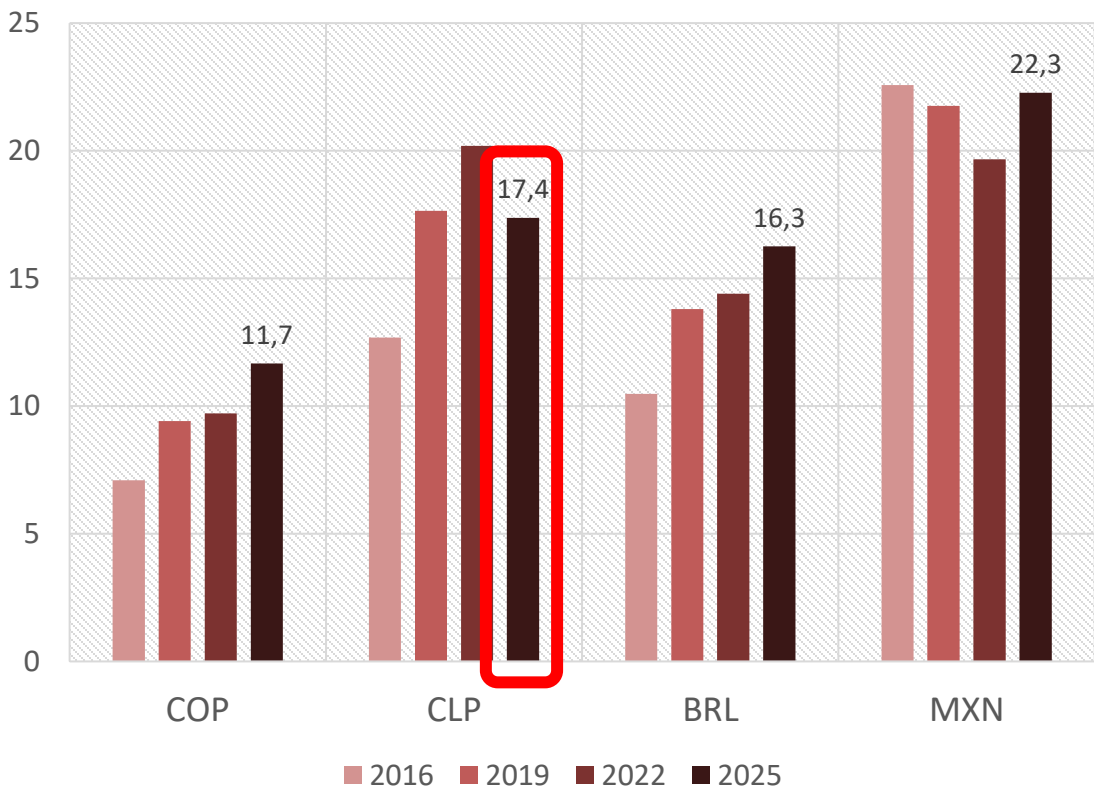
Global FX turnover of Latam currencies

Daily averages in April



Total currency FX market depth

(annual turnover / GDP)



Source: SIID-TR, BIS triennial central bank survey, IMF World Economic Indicators

Final remarks

- ❖ The Chilean peso has become an increasingly international currency
 - More than half of FX activity takes place offshore, supported by significant participation from international market participants
- ❖ Chile's FX market is among the deepest in Latin America
 - Both onshore and total FX turnover compare favorably with regional peers relative to economic size
- ❖ Offshore activity is an important component of the CLP market
 - Offshore activity represents a substantial share of CLP trading and should be considered when evaluating market size, structure, and cross-border participation

