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Media Release

Regional and non-bank providers making head way in Asia's Spot FX market

(17 October 2017 – Asia) Although international providers remain dominant, regional banks, and non-bank foreign exchange providers are gaining traction in Spot Foreign Exchange (FX) market share across Asia, new research from East & Partners Asia has found.

The Asian Business Foreign Exchange Markets (ABFX) program, which monitors market share, wallet share, mind share and customer satisfaction levels in addition to FX volume analysis across Hong Kong, Malaysia, the Philippines and Singapore found that HSBC has the largest Spot FX market share in Hong Kong, Malaysia and Singapore, leading the respective markets with between 18.3 percent to 25.6 percent of primary customer relationships.

The program has found that HSBC consistently expanded its market share in these four Asian markets over the past three years with an average annual growth rate of 4.1 percent.

According to the report, Malaysia has highest domestic bank presence in business FX of the four country markets; the aggregate Spot FX primary market share for the big four local Malaysian banks – Maybank, CIMB, AMMB and Hong Leong – has grown by 42.1 percent over the past three years to 31.7 percent. It is also worth noting that CIMB is now the fourth largest Spot FX provider in the country.

This research also shows that Citigroup and Maybank share second place in terms of primary Spot FX customer relationship share in Malaysia, trailing behind HSBC. East predicts this tie will break in the next six months with Maybank continuing to gain competitive ground.

Notably, a similar trend is also evident in the business Spot FX market in Singapore where more than US$120 billion change hands on an average day. The Malaysian banks have made considerable headway over the past year in the city-state, with average wallet share for Maybank, CIMB and Hong Leong running at above market average in both their home market (24.7 percent) and Singapore (17.0 percent).

In the Philippines, local banks such as PNB, Metro bank and BPI are also successfully expanding their presence in the highly competitive FX market. Notably, BPI clinches fourth place at 13.0 percent of market share, growing 3.7 percent faster than its closest rival HSBC.

The impact of a series of rigging scandals that erupted in 2013 and eventually led to the formulation of a global code of conduct is evident in the research. International banks such as Citigroup and Standard Chartered are suffering from customer churn broadly across the market. While Citigroup's Spot FX market share has declined by as much as 2.3 percent in Singapore relative to August 2014, the Bank has managed to maintain its share of market in the Philippines at around 20.0 percent over the same period and number one position.

About the East & Partners Business FX Program

E&P conducts research with around 13,400 enterprises across Australia, New Zealand, Asia, Europe and the Americas in the Institutional, Corporate, SME and Micro turnover segments on a quarterly basis.

Key insights include Business FX provider benchmarks on market share, the amount of business allocated to each provider, brand recollection and business satisfaction. Industry insights track ongoing trend towards 'multi-banking' and uptake of hedging utilisation in the lower market.

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