

NZFMA Foreign Exchange Forward Rate Roll Date Convention

The New Zealand Financial Markets Association (NZFMA) is responsible for establishing and documenting wholesale market dealing conventions in consultation with its members. The purpose of these conventions is to establish both transparency of practice and promote liquidity during the NZ market trading hours. Although the NZFMA has no formal regulatory powers, it can through consultation and agreement from its members, establish an expectation that its bank and broker members will comply with these market conventions.

Background

The value dates for most FX trades are “spot”. For all currency pairs except NZD/USD, global market convention is that the value dates roll forward at 5pm New York time except in the case of NZD/USD which rolls forward at 7am Auckland time. FX Forward rolls are governed by the same convention.

Convention

For NZD/USD FX Forwards and any cross currency FX Forward that has a NZD leg, the value date roll forward time is 7am Auckland time.

For any other cross currency FX Forward that does not have a NZD leg, the value date roll forward time is 5pm New York time.

5 September, 2018

Ends