



Regulatory framework and approach

- The Central Bank of the UAE regulates exchange rate policy and is responsible for implementing monetary policy (<http://www.centralbank.ae>).
- Monetary policy is conducted using a series of instruments: minimum reserve requirements, swap operations, advances & overdraft facility for banks, prudential regulation and the issuance of Certificates of Deposits (CDs), liquidity support facility.
- The UAE dirham is a fully accessible, fully convertible currency.

AED products

FX spot

Avg. ticket size: USD 25-100mn
Bid/ask spread: AED 0.0002
Avg. daily volume: USD 1-3bn
Ref. source: Central Bank of UAE <CBEM>
Trading hours: 7:30-17:00 London

FX forward/swap

Avg. ticket size: USD 50mn (FX forwards); USD 50mn (FX swaps)
Liquid tenors: <5Y
Bid/ask spread: AED 0.0020-0.0040 (1y)
Avg. daily volume: USD 1-2bn
Ref. source: Reuters Page <DBMEFWD>

FX options

Avg. ticket size: USD 50mn
Liquid tenors: <2Y
Bid/ask spread: 0.4 vol

IRS

Avg ticket size: USD 5-10k DV01
Bid/ask spread: 10bp
Fixing: 3M EIBOR
Ref. source: Reuters page <AEIBOR=>