

7th February Market Chaos: Are You Paying the 'WMR Tax'? SIREN FX Just Proved There's a Smarter Way to Hedge and Rebalance

February proved to be a turbulent month for global financial markets and it started on 7-February. The US Jobs print fell short of expectations and then by close of business all the major US Stock indices had declined. The S&P 500 and Dow Jones fell approximately 1% and the Nasdaq declined 1.4%.

DeepSeek, a Chinese AI company singlehandedly put pressure on the US Tech sector. Announcements on new tariffs on Canada, Mexico and Chinese goods introduced volatility in currency markets and fluctuations in bond and commodity markets. The Bank of England had, earlier in the week, cut interest rates by 25bps starting a Cable sell-off. The US Dollar saw modest gains against its peers. All of which prompted Investors to nervously/excitedly (delete as appropriate) reassess and rebalance their portfolios to mitigate risks and capitalise on emerging opportunities.

Reading the news wires, many investors were hit particularly hard. A very prominent hedge fund reported its worst monthly performance in over 6 years. Some Asset Managers scrambled to keep up. Few gave themselves a quick pat on the back for maintaining their overweight equities position. Adjustments were made to navigate the heightened volatility and align investment strategies with the evolving economic landscape. But needless to say, portfolio rebalancing during volatile market conditions comes with complexities and increased risks.

Financial institutions relying on the WMR 4pm Fix faced market exposures amplified by volatility on this key rebalancing date. In contrast, those using SIREN FX's rates unlocked significant savings:

In EURUSD we delivered \$1,178 per million notional traded in savings outperforming WMR's rate by 0.1178%.

USDJPY saw savings of \$502, a 0.0502% rate improvement.

GBPUSD saw an impressive \$829 saving.

Comparing the performance of the Top 9 Currency Pairs against WMR, cumulative savings of \$8,011 could have been achieved on this day alone.

07-Feb-25

CCY Pair	WMR 4pm Fix*	SIREN FX	Savings**	%Diff
EURUSD	1.03457	1.03579	1,178	0.11778
USDJPY	151.395	151.471	502	0.05017
GBPUSD	1.24163	1.24266	829	0.08289
AUDUSD	0.62699	0.62769	1,115	0.11152
USDCAD	1.43133	1.43065	475	-0.04753
NZDUSD	0.5656	0.5661	883	0.08832
USDCHF	0.90941	0.90894	517	-0.05171
USDNOK	11.2446	11.23069	1,239	-0.12386
USDSEK	10.92217	10.90828	1,273	-0.12733
Average Savings			890	
Cumulative Savings			8,011	

*4pm SIREN 5Min Proxy

**Savings per \$Million Notional

Month-end rebalancing on 28-Feb-25 saw the second strongest day of SIREN FX savings in the month of February:

EURUSD delivered \$461 per million notional traded in savings.

USDJPY saw savings of \$318.

GBPUSD saw an impressive \$429 saving.

The average saving across these Top 9 currency pairs was \$326.

28-Feb-25

CCY Pair	WMR 4pm Fix*	SIREN FX	Savings**	%Diff
EURUSD	1.03999	1.04047	461	0.04613
USDJPY	150.698	150.746	318	0.03184
GBPUSD	1.25912	1.25966	429	0.04287
AUDUSD	0.62181	0.62181	-	0.00000
USDCAD	1.44056	1.44109	368	0.03678
NZDUSD	0.56035	0.56057	392	0.03925
USDCHF	0.90228	0.90227	11	-0.00111
USDNOK	11.24333	11.23925	363	-0.03630
USDSEK	10.73515	10.72877	595	-0.05947
Average Savings			326	
Cumulative Savings			2,937	

*4pm SIREN 5Min Proxy

**Savings per \$Million Notional

Total February Savings:

Institutions leveraging SIREN FX across the top 9 currency pairs saved a total of **US\$10,948** per million notional traded — a **clear edge** over the WMR benchmark.

Why SIREN FX's Benchmark Rates Win:

Real-time market alignment: SIREN FX reflects truer pricing, minimizing market slippage.

Reduced exposure: By capturing fairer, more efficient rates, institutions hedge and rebalance at lower costs.

Implementation: SIREN FX was designed and is recognised as the **only** executable benchmark in the market.

Strategic advantage: In volatile environments like February 2025 — where hedge funds and pension funds saw notable losses — SIREN FX's rates provided a competitive boost.

The Takeaway:

If February's market turbulence taught us anything, it's that traditional FX benchmarks like WMR may no longer serve institutions' best interests. The data speaks for itself: SIREN FX delivers measurable savings, enabling better performance in rebalancing and hedging.

Isn't it time to rethink your FX "tax"?

#Finance #FX #CurrencyMarkets #PortfolioManagement #Rebalancing #Benchmarking
#SIRENFX #Hedging