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News Release

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SGX and Euroclear Bank to launch Orchid bond structure

Asia's leading international fixed income marketplace Singapore Exchange (SGX) and Euroclear Bank (Euroclear), the Brussels-based international central securities depository (ICSD), today announced the launch of the Orchid bond structure in Singapore, combining domestic bond issuance with global distribution channels.

International investors will be able to purchase bonds issued by Singapore-based issuers directly on SGX's wholly-owned subsidiary, The Central Depository (CDP) via Euroclear, and will benefit from real-time, multi-currency delivery versus payment (DVP) settlement with any counterparty within Euroclear's network. SGX and Euroclear will look to extend the offering beyond Singapore to other regional issuers.

SGX is Asia's most global bond listing venue, having listed over 6,600 securities by more than 1,600 issuers from 66 countries with amounts issued totalling US\$2.2 trillion in 26 currencies. The addition of the Orchid bond structure allows market participants to utilise SGX as a one-stop issuance, listing and distribution platform for regional issuance.

SGX and Euroclear were both supported by HSBC in its capacity as arranger, custodian bank and paying agent in the setting up of the Orchid bond structure.

Lee Beng Hong, Senior Managing Director, Head of Fixed Income, Currencies and Commodities (FICC), SGX, said, "We are excited to partner with Euroclear to offer issuers and investors with a win-win solution, by allowing issuers to tap into SGX's listing and depository capabilities, while at the same time giving global investors access to a fast-growing Asian bond market. Asia is home to some of the world's fastest growing economies and we continue to see issuers tapping into debt capital markets. This offering will deepen the bond market's liquidity pool and has the potential to significantly expand the issuers' investor base."

Stephan Pouyat, Global Head of Capital Markets and Funds Services Euroclear, added, "We are excited by the opportunities now available to local Singaporean issuance and foreign investors through the Orchid bond structure which will widen the market's investor base. This launch continues the successful momentum we have seen in the Asia region over the past year for this type of tailored solution. Within our ecosystem we see continued scope for this structure laying the foundation for ESG bond issuance in foreign currencies in the near future."

Gavin Powell, Head of Global Markets, HSBC Singapore, commented, "Current market infrastructure must adapt to keep pace with a highly digitised and international investor community. Technology is the key to unlocking greater market access. We are excited by the possibilities Orchid bonds will offer issuers, who are seeking diversified funding sources and deeper liquidity pools, and for international investors hungry to pursue wider investment options. HSBC is pleased to have supported SGX and Euroclear in taking this step forward; another demonstration of collaboration enabling greater opportunities."

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About Singapore Exchange

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. It also operates Asia's only multi-partner, multi-asset exchange-led sustainability platform (sgx.com/first).

As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore. SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit www.sgx.com.

About Euroclear Bank

Euroclear Bank provides settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds. Serving major financial institutions located in more than 90 countries, Euroclear Bank, based in Brussels, is part of the Euroclear group. Euroclear Bank is rated AA+ by Fitch Ratings and AA by Standard & Poor's.

As well as Euroclear Bank, the Euroclear group includes Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. The Euroclear group settled the equivalent of EUR 897 trillion in securities transactions in 2020, representing 276 million domestic and cross-border transactions, and held EUR 32.8 trillion in assets for clients by end 2020. www.euroclear.com

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