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News Release

26 November 2014

SGX announces launch of bond trading platform

Singapore Exchange (SGX) today announced its intention to launch a bond trading platform by mid-2015. It will initially trade Asian corporate bonds in G3 currencies, with Asian local currencies to follow. To drive this initiative, the first of its kind focused on Asian bonds, SGX has formed a new subsidiary, SGX Bond Trading ("SGX BT").

The development of this platform will be executed in close consultation with the industry, and the platform aims to become an Asian Liquidity Centre for both high-yield and investment-grade corporate bonds. SGX held an inaugural Steering Committee meeting with senior representatives of 32 leading Asian fixed income dealers and investors yesterday and will continue to do this at periodic intervals leading to the launch of the platform. The Steering Committee will provide strategic direction and feedback to SGX on the development and refinement of services provided by SGX Bond Trading to address the needs of Asian bond market participants.

SGX has signed a long-term contract with electronic trading solutions provider TradingScreen as the technology platform provider and will work with the industry to develop end-to-end automation to make trading in these instruments more efficient.

Magnus Bocker, CEO, SGX, said, "SGX believes that in the long term, the Asian fixed income markets are poised for strong growth, given the region's growing infrastructure needs and investor demand for steady, long-term returns. SGX is pleased to work closely with the Asian fixed income community to build and operate an electronic OTC liquidity venue dedicated to Asian bonds to facilitate this growth."

Muthukrishnan Ramaswami, President, SGX, said, "We have had a long history of collaborating with the industry in many areas of market infrastructure. Our goal is better fixed income markets for Asian market participants and we will ensure that this venue offers many different trading approaches which are the characteristic of OTC markets. Our aim is to help both buy and sell side participants with their needs."

Eric Lafon, Managing Director, FX, Rates & Credit Distribution, UBS AG, said, "UBS has had a long history of pioneering market infrastructure changes globally across FX, Rates and Credit. SGX new trading venue has the potential to transform the Asian bond secondary markets for the benefit of its participants and reinforces Singapore's position as a leader in financial markets innovation."

Biswaroop Tapan Barua, Managing Director and Head of Fixed Income & Credit Products, Group Wealth Management, Standard Chartered Bank, and member of the Steering Committee, said, "We are an active participant in the Asian bond market and are looking forward to SGX entering the OTC markets. We believe that SGX's entry will make the market significantly more efficient at a time when several players are cutting back on the scale of their participation in the fixed income markets. SGX's entry will be very beneficial to our clients and will enable us to provide an enhanced level of service to investors."

Ong Kwee Peng, Head of Fixed Income at AIA Singapore, an insurance company and member of the Steering Committee, said, "As The Real Life Company and a major investor in Asian bonds, AIA Singapore is committed to continuously looking for ways to improve liquidity and price discovery that will benefit our policyholders. We believe a platform dedicated to Asian bonds will help us achieve that goal."

Rohan Thakrar, Head of Asian Credit at Royal Bank of Scotland and member of the Steering Committee, said, "We have had a long history of working with SGX in many areas of market infrastructure. Our goal is better fixed income markets for our customers and we are glad to see that this venue will offer many different trading approaches which are the characteristic of OTC markets."

Erik Tham, Fixed Income execution desk at UBS Wealth Management and member of the Steering Committee, said, "A dedicated electronic platform will help market participants to adopt electronic order routing and auto-execution capabilities for Asian bonds. This will enable investors to access Asian liquidity at an unequalled level of efficiency and standardisation."

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About Singapore Exchange (SGX)

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most international exchange with about 40% of companies listed on SGX originating outside of Singapore. SGX offers its clients the world's biggest offshore market for Asian equity index futures, centred on Asia's three largest economies – China, India and Japan.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a leading Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

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