7 April 2014

SGX Launches Clearing of Non-Deliverable Interest Rate Swaps

Singapore Exchange (SGX) is pleased to launch the clearing of Non-Deliverable Interest Rate Swaps (NDIRS) in Malaysian Ringgit and Thai Baht on 7 April 2014. This new asset class, which will be settled in US dollars, further augments SGX's current suite of Over-the-Counter (OTC) Financials clearing which includes Interest Rate Swaps ("IRS") in Singapore Dollar and US Dollar and Non-Deliverable Forwards ("NDF") in seven Asian currencies.

In today's volatile environment, customers can take advantage of the clearing services and straight-through-processing by SGX to mitigate their counterparty and operational risks. As a Qualified Central Counterparty ("QCCP"), SGX offers its customers, who clear NDIRS trades via the SGX platform, lower capital requirements for their trades and default fund exposures as stated under the Basel III framework. Customers are assured of direct access to transparent clearing services, greater operational efficiency and cost-savings on SGX.

"The expansion of SGX's clearing service is beneficial to the industry especially in light of the increasing global OTC derivatives regulatory reforms. DBS looks forward to clearing our NDIRS trades at SGX," said Valerian Crasto, DBS Treasury & Markets, Chief Operating Officer.

"This first-of-its-kind ability to clear Malaysian ringgit and Thai baht NDIRS is a great development. Like all market participants, Standard Chartered welcomes this initiative and we look forward to being an active clearing member in this new product set," said Teh Yeong Chuan, Global Head of Rates, Standard Chartered Bank.

"NDIRS products in MYR and THB are actively traded in Singapore and the region. Clearing of these products will address customers' need for secure and efficient risk management solutions to better manage their counterparty and operational risks. SGX will continue to expand its Asia-based offerings and grow our pool of membership to provide customers with more options to manage their portfolios in Asia." said Michael Syn, Head of Derivatives, SGX.

SGX is Asia's pioneering, multi-asset class central clearing house for the OTC market covering commodity and financial markets. The SGX AsiaClear service offers clearing of commodity derivatives including iron ore, coal, freight and oil swaps, futures and options. As a leading clearing house in Asia, SGX provides customers a one-stop risk management solution.

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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 more than 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 peerless Asian counterparty for the clearing of financial and commodity products.

For more information, please visit www.sgx.com

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