



News Release

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SGX and NZX seal partnership on dairy derivatives to unlock growth

Singapore and Wellington - Singapore Exchange (SGX) and New Zealand's Exchange (NZX) have today signed a strategic partnership agreement to unlock and accelerate the growth potential of NZX's dairy derivatives.

This partnership brings together the complementary capabilities of the SGX and NZX to scale up market distribution and liquidity in the global dairy derivatives markets. It will take effect in the second half of 2021, subject to regulatory approvals. This follows a Heads of Agreement that was mutually signed in October 2020 to explore the listing of NZX's suite of dairy contracts on SGX's trading and clearing platforms.

Loh Boon Chye, Chief Executive Officer of SGX, said: "This partnership combines the strengths of SGX and NZX and we are very excited to see it coming to fruition. With Asia representing the world's largest bloc of dairy consumers and producers, this partnership brings a world-class suite of dairy derivatives benchmarks and risk management tools to dairy participants and investors in Asia and beyond. We look forward to continue working with NZX to grow the dairy derivatives market and benefit the wider industry."

NZX Chief Executive, Mark Peterson, said NZX will continue to provide dairy product development expertise, market research and product support for new developments and enhancements. NZX will also continue to lead engagements with the dairy industry.

"We see huge opportunity through this partnership to unlock potential and propel future growth of our dairy derivatives suite. By working together, we can leverage SGX's global market connectivity, strong Asian presence and international distribution, to scale growth and liquidity in the trading of dairy derivatives."

As part of the new partnership, NZX intends to delist its suite of dairy derivatives contracts from the NZX Derivatives Market and equivalent contracts will be relisted on SGX. Market participants can expect augmented access via new trading and clearing channels.

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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 NZX Dairy Derivatives:

NZX launched its dairy derivatives market in 2010, enabling market participants across the dairy production chain – from farmers through to international manufacturers of dairy products – to efficiently manage price risks inherent within global dairy markets.

Over the past 10 years, NZX has grown the contract suite to include eight futures and options contracts across dairy ingredients including Whole Milk Powder (WMP), Skim Milk Powder (SMP), Butter (BTR) and Anhydrous Milk Fat (AMF) as well as liquid NZ Milk Price (MKP) contracts. NZX has five member firms connected to the market and two Independent Software Providers (ISVs).

Learn more at: www.nzx.com/markets/nzx-dairy-derivatives/dairy

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