



Circular Derivatives

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News Release: SGX launches Net Total Return futures for key emerging markets in Asia

Singapore Exchange (SGX) today launched a series of Asian emerging markets index futures based on net total return (NTR) indices calculated by MSCI Inc.

The contracts are designed to meet increased demand for greater capital efficiency, in light of new margin requirements imposed on uncleared derivatives trades globally. They also present an exchange-listed solution to over-the-counter (OTC) equity index swaps in Asia.

By offering market participants exposure to this new set of indices, SGX is now the only exchange in Asia to offer both price return and NTR versions of MSCI equity index futures. This provides a comprehensive risk-management service for investors seeking exposure to Asia's four largest emerging markets representing over 50% of the MSCI Emerging Markets NTR IndexSM. The new contracts are:

1. SGX MSCI Taiwan Net Total Return (USD) Index Futures;
2. SGX MSCI China Free Net Total Return (USD) Index Futures;
3. SGX MSCI India Net Total Return (USD) Index Futures; and
4. SGX MSCI Indonesia Net Total Return (USD) Index Futures.

Michael Syn, Head of Derivatives at SGX, said, "We continue to offer global investors unique offshore access to Asia, and these futures will provide a cost-efficient platform to trade and clear NTR index products. Today's launch also highlights the growing importance of central-clearing counterparties in Asian markets."

SGX is the most liquid offshore market for key Asian equity index derivatives. As the region's risk-management centre of choice, the exchange offers investors exposure to over 80% of Asia's GDP.

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