



Circular Derivatives

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News Release: SGX named Derivatives Exchange of the Year

Singapore Exchange (SGX) has once again been named “Derivatives Exchange of the Year” at this year’s Asia Risk Awards held last night in Singapore. The awards recognise excellence in derivatives trading and risk management in Asia and this is the fourth year that SGX has been awarded this title.

SGX’s ability to grow liquidity in its core risk management products at the same times as continuing to diversify its portfolio and cross-sell across products was cited as a key differentiator that enabled SGX to retain the title. Recent success in strengthening its offering across the steel value chain was highlighted as an example of how SGX has added value to clients and anticipated evolving hedging needs.

Michael Syn, Head of Derivatives at SGX said “We are very proud to have been given this award again, and that our delivery of service to clients through our multi-asset approach to risk management solutions has been recognised. This has been particularly important at a time when idiosyncratic risks are on the rise, most notably in the increasingly Asia-centric steel-related market. Our unique margin offset offering will continue to support a growth in composite investing in Asia, which we expect to see over time.”

Offering iron ore hedging instruments together with coking coal risk management tools, SGX enables participants to in the downstream steel industry the ability to manage upstream volatility, and provides margin efficiencies from trading this “virtual steel mill”.

SGX holds a 90% share of the offshore iron ore and a 99% market share of the rapidly growing seaborne coking coal market. SGX recently enhanced its offering with the launch of coking coal options.

Asia Risk highlighted SGX’s acquisition of the Baltic Exchange as a landmark event, further enhancing SGX’s offering in the hedging of the steel value chain given the links between freight volatility and cargo profitability. It also cited SGX’s Titan platform as an example of successful technology customisation to meet the needs of the diverse over-the-counter market.

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