

ForexClear overview

ForexClear at a glance

25

Non-deliverable forward currency pairs (15 emerging market and 10 G10 pairs)

9

Non-deliverable FX option currency pairs

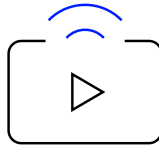
24/5.5

Trades can be registered 24 hours a day, 5.5 days a week

NDF fees	Client
EMTA NDF/million	US\$2
Non-EMTA NDF/million	US\$1

LCH ForexClear total service volumes

In Q1 2024, the service cleared a record **US\$8trn** in total notional, up **34%** vs Q1 2023. This was driven by strong participation in cleared deliverable* and non-deliverable volumes. ForexClear has over **120** participants in the service.



*Deliverable service is for members only

Client clearing highlights

- Record **US\$226bn** client notional cleared in Q1 2024, with Q1 2024 becoming the ninth consecutive record quarter for client NDF volumes since Q1 2022
- Record **US\$4bn** client NDF average daily volume cleared in Q1 2024, up **39%** vs Q1 2023
- 81** clients (clearing through a clearing broker) of which **4** were on-boarded in Q1 2024

Top 5 FX non-deliverable currency pairs

Currency	Q1 2024 volume US\$bn	Q1 2024 ADV US\$bn
USD/INR	1,594	25
USD/TWD	1,489	23
USD/KRW	1,341	21
USD/BRL	1,102	17
USD/IDR	434	7

Client NDF volume



Why should you clear?

- **Counterparty credit risk reduction** – reduce counterparty credit exposure, as LCH becomes the central counterparty once trades are cleared. Rigorous default management process in place, with proven track record in volatile market situations.
- **Access to liquidity** – significant growth in FX clearing is leading to changing market dynamics, where banks increasingly request interbank counterparties to clear, and move toward deliverable forwards clearing as well as pre-execution clearing.
- **Capital savings** – clearing delivers RWA and leverage ratio framework efficiencies where the CCP attracts a lower capital charge; hence it is increasingly favoured by bank liquidity providers. Clearing can therefore lead to additional opportunities to strengthen liquidity provider partner relationships.
- Assists with the **management of UMR obligations**; gain margin and operational efficiencies to reduce funding requirements and operational burden.
- **Margin efficiencies** – clearing offers multilateral netting benefits, as multiple bilateral margin requirements are netted down into one single margin requirement against LCH, independent of counterparty and across currency and tenor.
- **Margin optimisation** – calculations can be more favourable against the CCP vs SIMM calculations depending on the currency pair.
- **Operational risk reduction** – one setup provides access to multiple counterparties, with one rulebook for all participants.

ForexClear products now live!

NDF matching platform

In partnership with LSEG FX: the first execution platform with **pre-trade intent to clear**.



Future delivery aims*

- Deliverable forwards and vanilla FX options for clients
- New currency pairs, with all CLS eligible currencies available
- Clearing of CNH

*Subject to regulatory approval

To opt in to newsletters, visit: <https://solutions.lseg.com/regular-clearingvolumes-update>

How to clear with ForexClear

01.

Find eligible clearing broker. ForexClear currently has 12 ICMs and 9 FCMs

02.

Use Margin Calculator to understand collateral requirements

03.

Consider execution to clearing journey through FXall, Bloomberg, FXConnect or others

04.

Engage with ForexClear onboarding team and begin clearing

Please visit <https://www.lch.com/membership/member-search> to find current members.



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