



Singapore Mercantile Exchange
Where the world will trade

March 2010



Our Exchange



Singapore Mercantile Exchange
Where the world will trade

Global commodities exchange based in Singapore



Wholly owned subsidiary of Financial Technologies

Market leader in technology solutions, domain expertise across all asset classes

Established, tried and tested organisation

**Behind some of the most successful exchanges in India, Asia and Middle East
MCXSE, DGCX and newly launched Bourse Africa, GBOT and Bahrain Financial Exchange**

FT Group of Companies



Singapore Mercantile Exchange
Where the world will trade

EXCHANGE BUSINESS

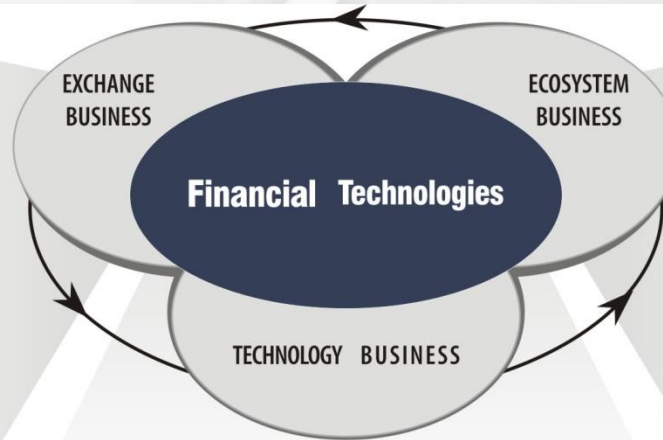
COMMODITY



EQUITY & FX DERIVATIVE



MULTI-ASSET/DERIVATIVES



TECHNOLOGY BUSINESS

BROKERAGE SOLUTIONS



MESSAGING SOLUTIONS



EXCHANGE SOLUTIONS



ECOSYSTEM BUSINESS

CLEARING CORPORATION



DEPOSITORY



INFORMATION RETAIL



TRANSACTION PROCESSING



CREDIT RISK MANAGEMENT



KNOWLEDGE SERVICES



Our Offer



Singapore Mercantile Exchange
Where the world will trade

Pan-Asian Commodities Exchange



Full spectrum of commodities generic to Asian trade flows
Regional focus with global reach
Regional price benchmarking opportunities

Defined Product Strategy



Captures Asian time-zone trading
Offers niche market products
Synchronise physical trading risk exposure with derivative hedge for maximum risk reduction

Liquidity Provider



Attracts new liquidity to regional exchange trading
Harnesses proven demand from members of Financial Technologies' exchange network

Our Offer



Singapore Mercantile Exchange
Where the world will trade

Strategically located in Singapore



MAS regulated, emphasis on client money protection

Excellent financial/technological infrastructure

Shifting regulatory value for Asia

At the centre of increasing intra-regional trade

FT Technology



Proprietary platform technology

Assured independence from third party clearing & matching technology providers

Assures nimble adaptation to changing market demands

Risk Management



Central Counter Party (CCP) settlement guarantee through SMXCC

Margining system based on SPAN margining

Trading



Singapore Mercantile Exchange
Where the world will trade

Transparent Reliable Market Access

- Price-Time priority system ensures fair and transparent trading
- Single reliable and well established platform for multiple asset class trading
- Direct Market Access
- Connected to market leading ISVs and back office system providers
- FIX 4.2 connectivity for trading platforms

Stress Testing Exercise



Singapore Mercantile Exchange
Where the world will trade

Flawless Stress Test



4 day testing exercise

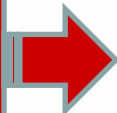
Over 40 participants daily from 5 different countries

High volume

All stress test objectives met

System coped with all challenges and scenarios presented

Customer Satisfaction



Broker Members and Customers commend ease of use of both Exchange TWS and Patsystems front end interface

General Clearing Members able to verify and tally back office reporting files including Variation Margin, Bank Transactions, SPAN margin and Special Margin files

Stress Test Statistics



Singapore Mercantile Exchange
Where the world will trade

Item	20.10.2009	21.10.2009	22.10.2009	23.10.2009
Number of Contracts traded	2702	2376	3841	8781
Number of Trades	883	787	1368	2375
Value of Trades in \$ million	83.76	86.33	194.95	319.18
Number of Users	40	44	34	42
Number of entities participated	12	11	12	15
Number of cities from which users logged in	3	5	5	5

Front ends tested

Front End	Type
TWS	Exchange TWS
J Trader	ISV
Pro Mark	ISV

Existing Connectivity:

PatSystems
GL Net
Rolf & Nolan (ION Trading)
Bloomberg
Reuters

In Development:

RTS
Trayport
TT
Fastfill

Clearing & Settlement



Singapore Mercantile Exchange
Where the world will trade

Structure of Singapore Mercantile Exchange Clearing Corporation



SMX provides Central Counter Party (CCP) settlement guarantee through SMXCC, a wholly owned subsidiary of the Exchange

Cuts out 3rd party clearing and unnecessary costs

Guarantee Fund manages default risk

Settlement



Settlement on T+1 basis

Online connectivity with settlement banks

Standard Chartered and RBS - SMXCC Settlement Banks

Risk Management



Singapore Mercantile Exchange
Where the world will trade

Margining

- Up front margining
- Flexible form of collateral (cash, LOC, bank guarantee)
- VAR based margin calculations using SPAN
- Sophisticated technology allows real time monitoring and lighter collateral requirements

Position Limits

- Imposition and monitoring of limits
- Real Time monitoring
- Timely limit warnings

Account Segregation

- Client/proprietary segregation
- Pooled segregation for client assets
- Strong legal support for client asset protection

Products at Launch



Singapore Mercantile Exchange
Where the world will trade

METALS	ENERGY	AGRICULTURE	CURRENCIES	INDICES/ OTHER
Gold	WTI	Coffee	AUD/USD	MCX Comdex
Silver		Raw Sugar	Euro/USD	FTSE
Copper		Black Pepper	JPY/USD	

Products – Phase II



Singapore Mercantile Exchange
Where the world will trade

METALS	ENERGY	AGRICULTURE	CURRENCIES	INDICES/ OTHER
Copper-Asia	Jet Fuel	Sugar - Asia	<u>NDF's</u>	Equity Indices
Aluminium-Asia	Coal – Indonesia	Soymeal	Rupee/USD	Carbon
Iron Ore	LPG	Cotton	Won/USD	OTC Clearing
Nickel	LNG	Rice	Ringgit/USD	Block trade
Zinc	Asia Crude Basket	Cocoa	Rupiah/USD	Clearing
			Renminbi/USD	

Commercial Partners



Singapore Mercantile Exchange
Where the world will trade

Product Advisory Committee

JP Morgan

Morgan Stanley

Louis Dreyfus

MF Global

BNP Paribas

Specific Product Markets

JP Morgan

Precious Metals

RBS/Sempra

Base Metals

ICAP

Iron Ore

Credit Suisse

Indonesian Coal

Hetco/Shell

Jet Fuel

EMA

LNG

FTSE

Asia-Centric Indices
Development

Membership



Singapore Mercantile Exchange
Where the world will trade

Clearing Membership



General Clearing Member

(Clears & settles own trades as well as those of its customers)

Special Clearing Member

(Clears & settles trades for non-clearing members)

Non-Clearing Membership



Broker Member

(Trades for itself or on behalf of its customers)

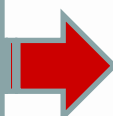
Trade Member

(Trades only for itself)

Remote Member

(Trader or Broker located outside Singapore)

Membership Application



Must meet MAS regulatory requirements

Quick & efficient procedure