

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

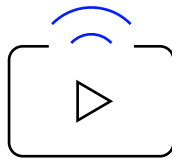
Trades can be registered 24 hours a day, 5.5 days a week.

NDF Fees	Client
EMTA NDF / Million	US \$2
Non-EMTA NDF / Million	US \$1

Please visit [ForexClear/What We Clear/LCH Group](https://www.lch.com/ForexClear/What%20We%20Clear/LCH%20Group) for more details on products and fees.

ForexClear total service volumes

In Q2 2023, the service cleared \$6.3 trn in total notional. This was driven by strong participation in cleared deliverable* and non-deliverable volumes. ForexClear has over 100 participants in the service, of which 65 are clients.



*Deliverable service is for members only

Client clearing highlights

- \$2.6 bn client NDF Average Daily Volume cleared in Q2 2023, up 22% vs Q2 2022.
- \$167 bn client notional cleared in Q2 2023, with Q2 2023 becoming the sixth consecutive record quarter for client NDF volumes since Q1 2022. Record week and month volumes also achieved in Q2 2023.

Top 5 FX non-deliverable currency pairs

Currency	Q2 Volume USD bn	Q2 Average Daily Volume USD bn
USD / KRW	1,262	19.4
USD / TWD	1,162	17.9
USD / INR	1,126	17.3
USD / BRL	673	10.4
USD / IDR	368	5.7

Client NDF volume



To find out more about ForexClear volumes please visit: <https://www.lch.com/services/forexclear/volumes>



Why should you clear?

- 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.
- **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 is increasingly favoured by bank liquidity providers. Clearing can therefore lead to additional opportunities to strengthen liquidity provider partner relationships.

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 to the service

ForexClear products coming soon*

NDF matching platform

In partnership with Refinitiv – the first execution platform with pre-trade intent to clear

*Subject to regulatory approval



Future delivery aims

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

To opt in to newsletters, visit: <https://solutions.lseg.com/Regular-ClearingVolumes-Update>



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