

## 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

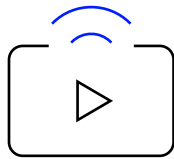
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Trades can be registered 24 hours a day, 5.5 days a week

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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