

Challenges for Asian Exchanges

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- Asia is the biggest consumer of commodity

(TPP will further enhance the trading volume within the region – 40% of global GDP and 1/3 of global trade)

- Yet very few active commodity exchanges
- Pricing for physical contracts is done in UK/USA
- Need to have own active commodity exchange

- Hong Kong Exchange's purchase of LME

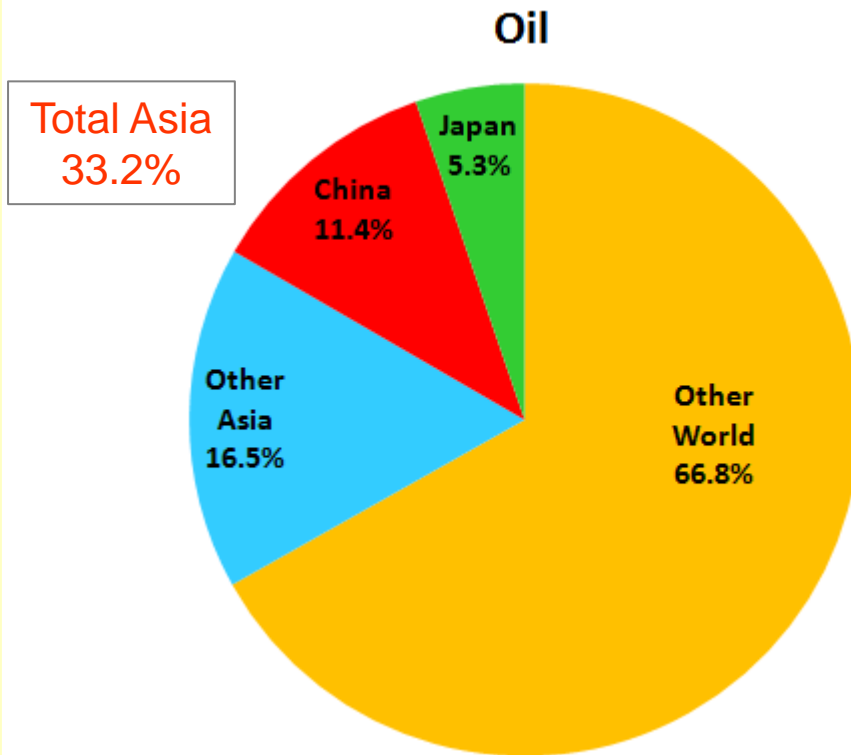
- Very effective/strategic attempt to spearhead the initiative
- How to compete or coordinate with Mainland's exchanges
- How to expand its coverage into other commodities

- Japan needs "Vertically-integrated Multi-Asset Class Exchange"

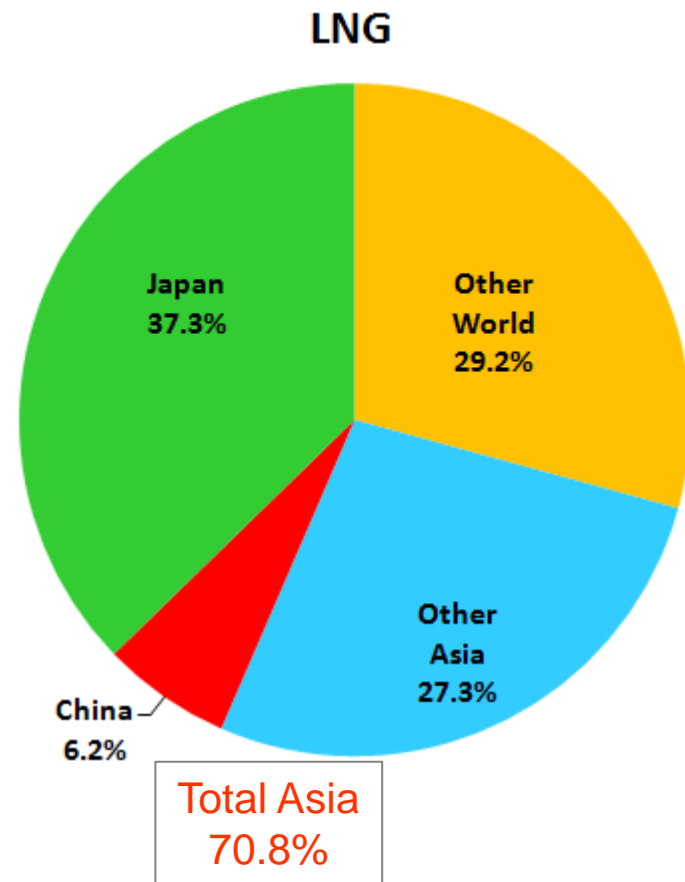
- Integration of Tokyo & Osaka stock exchanges – JPX
- Integration of TOCOM into JPX should happen

We need to create a competitive environment among the Asian exchanges for commodity asset class to grow further in the future.

World Commodity Consumption Shares :Oil & LNG



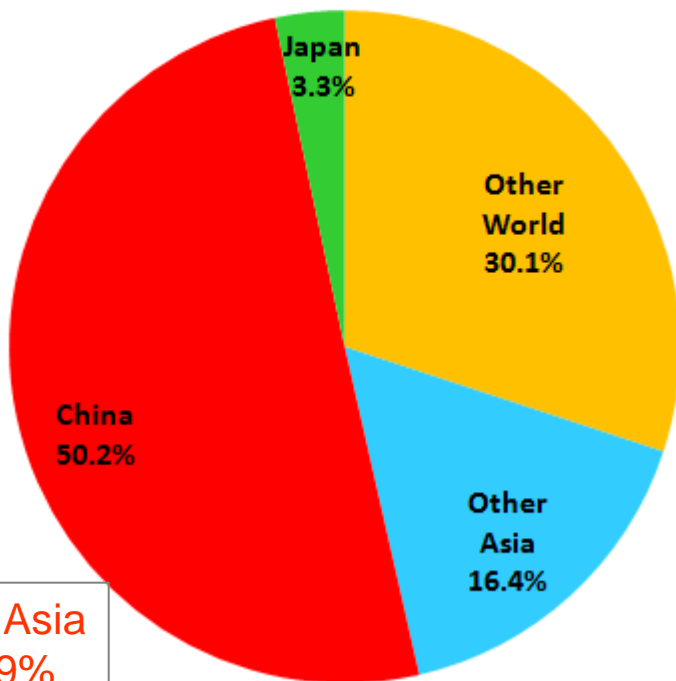
Source(Oil): BP



Source(LNG): GIIGNL

Coal, Iron Ore

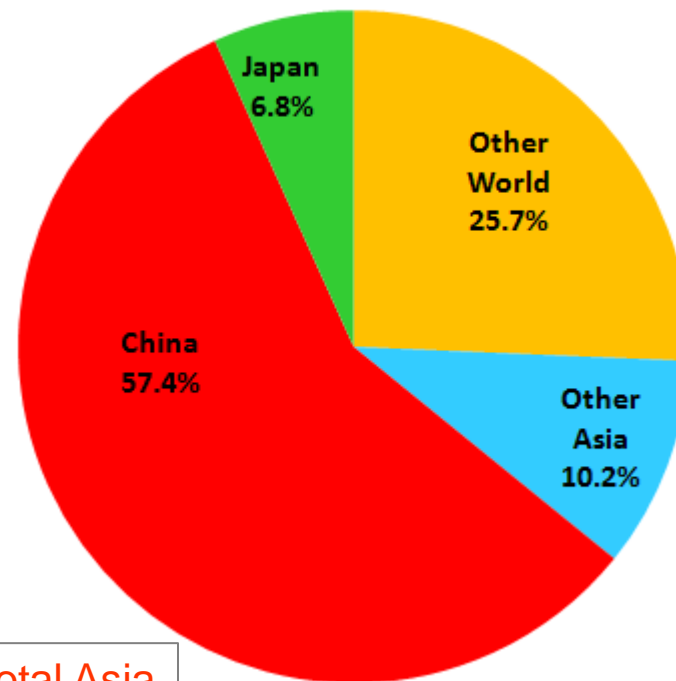
Coal



Total Asia
69.9%

Source(Coal): BP

Iron Ore

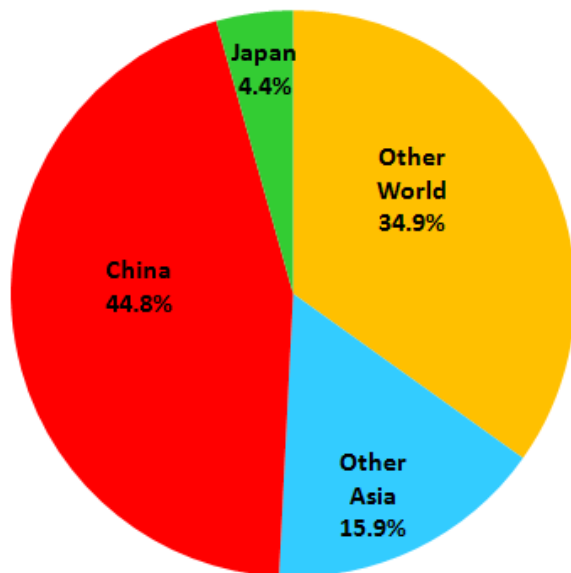


Total Asia
74.3%

Source(Iron Ore): Brook Hunt

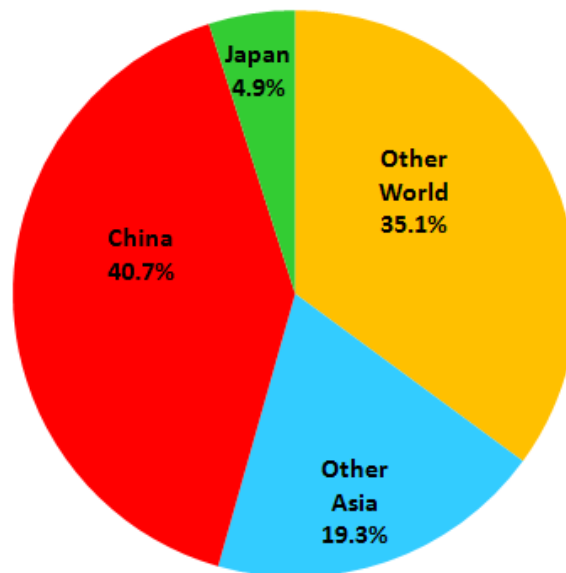
Base Metals: Aluminium, Copper, Nickel

Aluminium



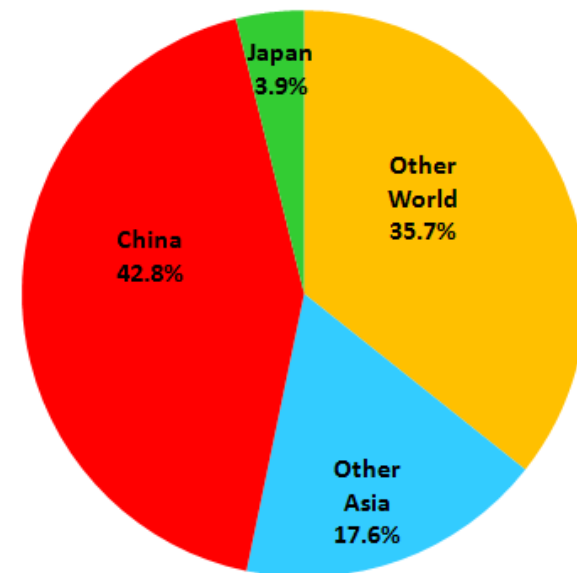
Total Asia
65.1%

Copper



Total Asia
64.9%

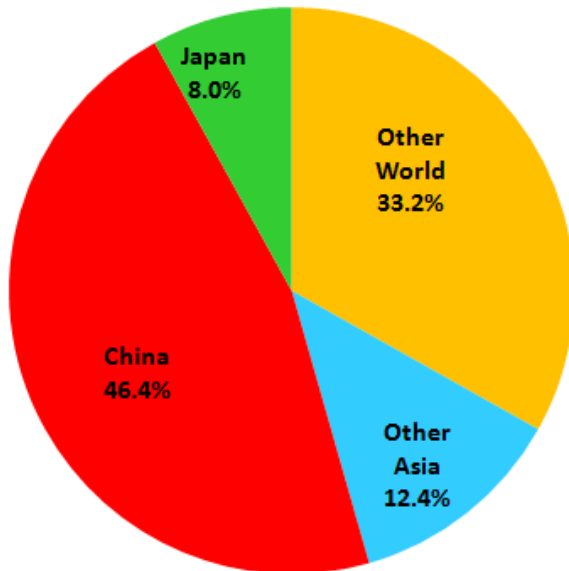
Nickel



Total Asia
64.3%

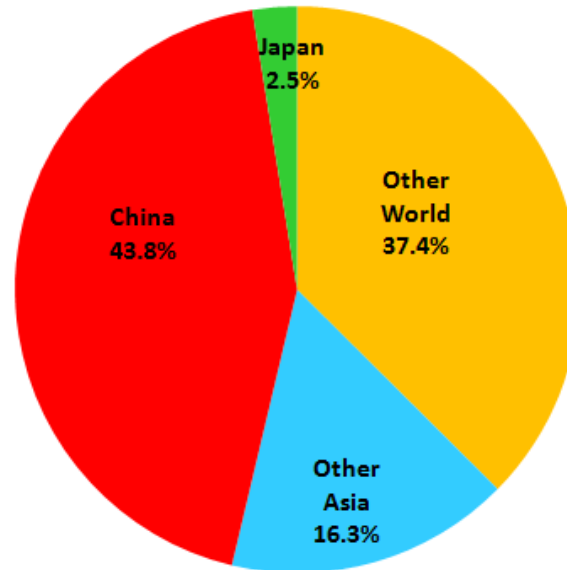
Base Metals: Zinc, Lead & Tin

Zinc



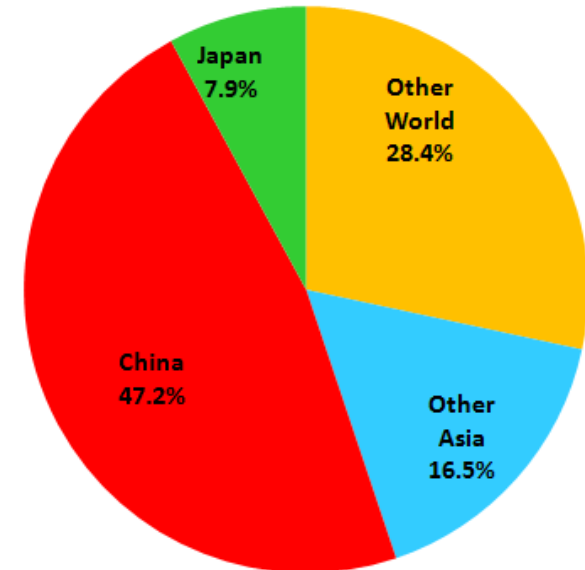
Total Asia
66.8%

Lead



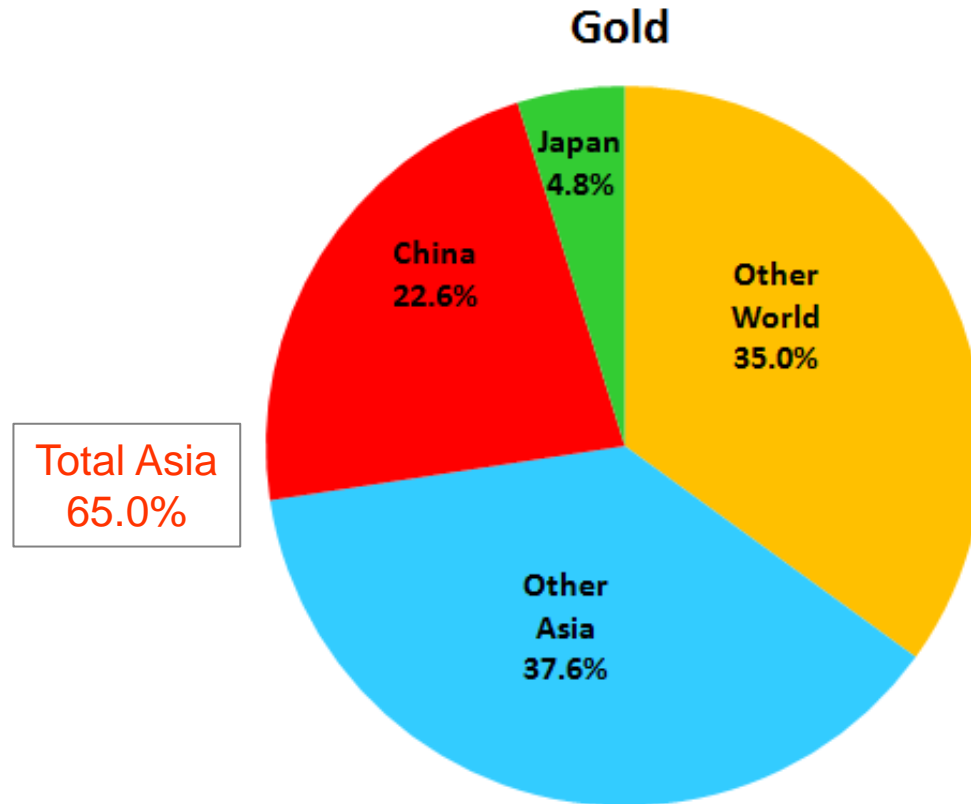
Total Asia
62.6%

Tin



Total Asia
71.6%

Precious Metals: Gold



Agriculture: Soybeans, Corn & Wheat

