

# Capitalab Launches SGX Nikkei 225 Options Compression Services

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LONDON, June 26, 2019 /PRNewswire/ -- Capitalab, a division of BGC Brokers LP, an entity within the BGC Partners, Inc. (NASDAQ: BGCP) group of companies, today announced in collaboration with Singapore Exchange (SGX) the launch of its SGX Nikkei 225 options compression service, a multilateral, model agnostic and risk constrained first-of-its-kind for Equity Derivatives.

"We are delighted to enter the Equity Derivatives space, where we believe there is much to be done in optimisation of notional exposures and margins. This first execution in a new asset class celebrates Capitalab's innovative DNA in collaboration with SGX and our clients," said **David Bachelier**, Capitalab's Singapore-based co-founder.

Equity Listed compression enables participants to lower capital costs and reduce open positions of derivatives that carry some of the highest cost of capital per unit of notional exposure in the industry.

This inaugural execution is the result of successful collaboration between SGX - a leading innovative exchange - and dedicated participants to deliver a new solution for the industry.

"The execution of the first Nikkei Equity Derivatives compression cycle is a milestone in the financial industry; Capitalab and SGX have worked closely and successfully with all participants to deliver a solution fulfilling market requirements," says **Olivier Roguez**, head of equity sales at Capitalab.

**Michael Syn**, Head of Derivatives at SGX, said; "SGX and Capitalab are responding to market participants' need for an efficient service to optimise their outstanding positions with increased capital and cost savings. In 2014, SGX was the first Asian exchange to run compression on OTC derivatives. Today, we are again leading the way by extending portfolio compression onto listed Asian derivatives."

**Gerben van Veldhuijsen**, Head of Corporate Strategy at Optiver Asia Pacific, commented; "We are very pleased that Capitalab has taken the lead in APAC to facilitate compression services to its participants by partnering with SGX. Constraints around leverage ratio exposures have been a primary concern to the growth of our business.

Compression of open interest allows us to warehouse more risk and continue to play our role as a market maker effectively. It has been intuitive and straightforward to control our portfolio risk changes through Capitalab's customized risk controls. We are looking forward to continue our partnership with Capitalab."

**Emmanuel Dray**, Global Head of Equity Derivatives Institutional Sales and Equity Derivatives Linear Trading at BNP Paribas, said; "As the first bank to tap into the Equity Derivatives Compression market, BNP Paribas is delighted to take part in the inaugural execution, reinforcing our leading Equity Derivatives expertise globally. We have been partnering closely with Capitalab over the year, applying innovation to adapt compression into Equity Derivatives that enables us to better control our balance sheet constraints. Capitalab provides agile solutions as well as proprietary optimisation technology that meet our specific needs and we look forward to continue working with them."

### **About Capitalab**

Capitalab, a division of BGC Brokers L.P., provides compression services that are designed to bring greater capital and operational efficiency to the global derivatives market. It assists clients in managing the growing cost of holding derivatives, while helping them to meet their regulatory mandates. Through the Swaptioniser<sup>®</sup> service for portfolio compression of Interest Rate Swaptions, Interest Rate Swaps, Caps and Floors and FX Options, as well as Initial Margin Optimisation service and fully automated trade processing, Capitalab looks to simplify the complexities of managing large quantities of derivatives to promote sustainable growth and lower systemic risk and to improve resiliency in the industry. The Capitalab brand is part of Fenics's fully electronic family of brands. BGC Brokers L.P. is authorised and regulated by the UK Financial Conduct Authority and is based in London. BGC Brokers LP is a subsidiary of BGC Partners, Inc. (NASDAQ: BGCP), a leading global brokerage and financial technology company.

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BGC Partners is a leading global brokerage and financial technology company. BGC's offerings include fixed income securities, interest rate swaps, foreign exchange, equities, equity derivatives, credit derivatives, commodities, futures, and structured products. BGC provides a wide range of services, including trade execution, broker-dealer services, clearing, trade compression, post trade, information, and other services to a broad range of financial and non-financial institutions. Through brands including Fenics, BGC Trader, Capitalab, Lucera, and Fenics Market Data, BGC offers financial technology solutions, market data, and analytics related to numerous financial instruments and markets. BGC,

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### **Discussion of Forward-Looking Statements about BGC**

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### **About Singapore Exchange**

Singapore Exchange (SGX) is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit [www.sgx.com](http://www.sgx.com).

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