

AFM is returning to Bangkok - after 8 years - for our 26th Annual Conference. The event is to be held at **Hotel Grand Centre Point Terminal 21 on February 1st & 2nd 2024**, and we are pleased to announce that it will again be hosted by **Thailand Futures Exchange**.

Since formation, the prime objectives of the Association have remained the same:

- Sharing, Learning, Growing Stronger
- Promoting and encouraging the establishment of new derivative and related markets;
- Organizing international conferences to promote communication among members;
- Strengthening member relationships and share information and experiences.



The Bangkok Conference is designed to maintain this ethos. The following core topics will provide the opportunity for roundtable panels of industry specialists punctuated with keynote speakers to share their knowledge and experience. As always panel moderators will ensure that delegates will be able to participate in the discussion ensuring a 360° view is achieved.

- Reshaping the Thai Capital Market towards Sustainable Growth
- Current landscape of the Southeast Asian Markets and the regional cooperation initiatives.
- Impact of global volatility on local and regional markets.
- Role of Agricultural and Commodities markets as aggregation hubs.
- Carbon Markets
- Artificial Intelligence – Friend or Foe?
- Are legacy technologies becoming a financial burden? Can they co-exist with new technologies?
- Clearing: Latest trends

Confirmed organisations are as follows:

CQG | Federation of Euro-Asian Exchanges | STT | Nepal Stock Exchange | Thailand Futures Exchange | FIA | GMEX | SGX | HKEX | JSE | London Metal Exchange | JPX | Uzbek Commodity Exchange | NASDAQ | African Commodity Exchange | AFEX | Nairobi Stock Exchange | Warsaw Stock Exchange | Exberry | TAIFEX | S&P DJIX | KELER CCP | Vermiculus | Zambian Commodity Exchange | Indonesian Commodity Derivatives Exchange | Cboe | EUREX Hong Kong | Iran Mercantile Exchange | Ethiopian Commodity Exchange | Bourse Regionale de Valeurs Mobilières (BRVM) | Cote d'Ivoire |

A lively and interactive event is anticipated, so use the following link to sign up and join the above list

[https://afmorg.net/afm-26th-annual-conference/#gf\\_1](https://afmorg.net/afm-26th-annual-conference/#gf_1)

See you in Bangkok!

Reflecting the continued development of AFM, we approached three of our more recent new members to respond to a common set of questions.

Baymarkets – Peter Fredriksson, Chair of the Board

Connamara – Daniel Davis, Head of Growth

DGCX – Louis Hems, Commercial Director



## The Questions

We asked each participant the same set of five questions which are shown below with summaries of the answers provided.

Reassuringly for AFM, there was a high degree of commonality across the responses serving as an indicator that we are moving the right direction. In the pursuit of completeness, the individual responses are included.

1.	<p><b>What was your main motivation when applying for AFM membership? What are your expectations, what benefits can AFM bring to you?</b></p>	<p>In line with our ethos all the participants cited the networking and collaborative opportunities provided by the AFM. The ability to meet sharing experiences and knowledge with a disparate range of exchanges and technology companies is a key factor for all our members.</p>
2.	<p><b>Markets seem to be evolving at a faster rate than has previously been experienced. In your experience what has / have been the most significant drivers of change? Does the current rate of change bring with it previously uncharted elements of risk?</b></p>	<p>Digital technologies have clearly contributed to the increased rate of change in the markets. With markets developing at a high rate there have been increased defaults in both traditional and crypto markets. Couple this with the advances made in enabling Cloud hosting thereby reducing time to market and there is an increased need for improved risk management and post-trade processes. Because of this, there has been significant investment in diversified CCP systems and processes.</p>
3.	<p><b>Which issues are you most frequently asked to address by your client base e.g., co-existence of current technologies with legacy systems or the fear factor when considering full replacement of legacy?</b></p>	<p>The most widely cited issues are those around legacy systems. This includes both full-scale replacement as well as co-existence. The market expects that risk systems provide coverage of the factors involved in legacy system related projects. In addition, the traditional topics of performance and connectivity continue to require investment. While these issues appear to be generic attention is requested to provide a degree of tailoring recognising that it may not be one size fits all.</p>

4.	<b>What service and trading improvements have you been able to deliver to the market member base either directly or indirectly? Are these improvements market or technology driven?</b>	The survey gives clear indication that risk management models and processes remain a clear leader for market participants. All improvements whether they are based on improved technology or the need for new instruments and asset classes carry with them a need for coverage in the pre and post trade risk models. At the operational level, cost reduction and process efficiencies remain factors requiring continuous review and resolution.
5.	<b>To what extent have your markets recovered / developed since the relaxation of-Covid restrictions? How of much of this is down to innovation in the way contracts are derived and traded and what pressure does this put on your operations? Is technology the key?</b>	Post-pandemic there has been a surge in volumes, the development of new products and the emergence of new markets and exchanges. This in turn has put pressure on technology to ensure that it remains in tune with the advances being made in the markets whether for trading participants, market operators or infrastructure suppliers. In terms of infrastructure there is a clear shift away from on-site to cloud based technology.

## Member Survey individual response:



Baymarkets – Peter Fredriksson, Chair of the Board

1.	<b>What was the main motivation of Baymarkets when applying for AFM membership? What are your expectations, what benefits can AFM bring to you?</b>	Baymarkets is a vendor of clearing systems and takes an active part in various discussions around CCPs, such as risk models and operations. AFM brings many derivatives markets together and we see great value in being exposed to the other AFM members and contributing to the discussions within the organization.
2.	<b>Markets seem to be evolving at a faster rate than has previously been experienced. In your experience what has / have been the most significant drivers of change? Does the current rate of change bring with it previously uncharted elements of risk?</b>	Recent defaults both in traditional markets and crypto markets have led to increased focus on risk management and procedures for CCPs. Regulators and CCPs are constantly reviewing and changing requirements for CCP members and traders and are also improving the system and operating procedures.
3.	<b>Which issues are you most frequently asked to address by your client base e.g., co-existence of current technologies with legacy systems or the fear factor when considering full replacement of legacy?</b>	Our clients are very occupied with the risk model used, and improvements of both the model and operating procedures around it. Co-existence with surrounding legacy systems is normally not a problem if they have functioning communication protocols. Replacing a legacy CCP system is always a challenge since the CCP has built their procedures around an old system, and they should most likely be changed.

4.	<p><b>What service and trading improvements have you been able to deliver to the market member base either directly or indirectly? Are these improvements market or technology driven?</b></p>	<p>We have incorporated a number of add-ons to our risk model which are market driven, and we have also implemented a different risk engine than our preferred one due to market participants' wish to keep an old well-used engine.</p>
5.	<p><b>To what extent have your markets recovered / developed in the post-Covid timeframe? How of much of this is down to innovation in the way contracts are derived and traded and what pressure does this put on your operations? Is technology the key?</b></p>	<p>We see more emerging marketplace initiatives starting in the post-covid timeframe, which is truly innovation driven. We also see a shift from the on-premises infrastructure to cloud-based infrastructures now being accepted both by the regulators and the CCPs. Cloud based is now often seen as more secure, and definitely more cost efficient than on-premises. Here technology is the key driver.</p>



**Connamara – Daniel Davis, Head of Growth**

1.	<p><b>What was the main motivation of DGCX when applying for AFM membership? What are your expectations, what benefits can AFM bring to you?</b></p>	<p>Connamara Tech's AFM membership reflects our commitment to staying at the forefront of futures markets and contributing our technological expertise to enhance the industry further. This is evident with our exchange infrastructure platform, EP3™. We eagerly anticipate the valuable insights and collaborative opportunities this membership will bring to shape the future of futures markets.</p>
2.	<p><b>Markets seem to be evolving at a faster rate than has previously been experienced. In your experience what has / have been the most significant drivers of change? Does the current rate of change bring with it previously uncharted elements of risk?</b></p>	<p>In our area, the most significant driver of change was the ability to host on the cloud – making exchange operation costs variable. By utilizing cloud hosting, exchanges can scale their costs as they scale their business. For Connamara Tech, this is exciting because the lower costs allow for more markets, meaning better price transparency and access for investors. There has undoubtedly been an increase in risk as markets have evolved, especially in unregulated markets. We must rely on tested checks and balances to develop markets so that innovation is in coordination with creating fair and orderly markets. Connamara Technologies is committed to innovation and providing tools to empower exchange operators. That commitment is reflected through functionality in EP3™ through market surveillance tools, pre and post-trade risk tools, and a broad menu of reports that help exchange operators.</p>

<p>3. Which issues are you most frequently asked to address by your client base e.g., co-existence of current technologies with legacy systems or the fear factor when considering full replacement of legacy?</p>	<p>Our client base of existing exchanges and exchanges yet to launch frequently seek our expertise to address a range of critical issues, including:</p> <ul style="list-style-type: none"> <li>🔗 Replacing legacy systems: Clients need efficient strategies to modernize their exchanges – by migrating to the cloud, including performance, and implementing new functionality.</li> <li>🔗 Scalability and Performance: We prioritize scalability and performance, helping clients reach the market faster and cost-effectively.</li> <li>🔗 Market Connectivity: Our APIs offer efficient, cost-conscious connectivity options for time-sensitive trading.</li> </ul> <p>At Connamara Technologies, we understand the importance of time to market and budget, and we’re committed to providing tailored technology solutions to address these concerns while helping clients navigate the challenges mentioned above.</p>
<p>4. What service and trading improvements have you been able to deliver to the market member base either directly or indirectly? Are these improvements market or technology driven?</p>	<p>Connamara Technologies has successfully delivered a range of service and exchange infrastructure improvements to the industry, benefiting both legacy and startup exchanges. These enhancements straddle market and technology-driven needs, thanks to Tech’s mission to innovate and adapt to market dynamics. Key improvements include:</p> <ul style="list-style-type: none"> <li>🔗 Enhanced Efficiency: We’ve directly improved exchanges with a faster, more reliable infrastructure solution in EP3™. Features such as EP3’s flexible deployment options (cloud, on-prem, hybrid), its use of APIs to integrate, and robust tooling empower exchange operators globally.</li> <li>🔗 Market Access Expansion: Indirectly, we’ve facilitated market access expansion. Our API library has made it easier for market members to connect with various vendors across various asset classes.</li> <li>🔗 Operational Cost Reduction: Our technology-driven solutions have indirectly reduced operating costs for market members, mainly through its modular licensing structure. That means customers only pay for what they need.</li> <li>🔗 Real-Time Market Surveillance: EP3™ offers real-time monitoring capabilities, empowering market members to gain deep insights into their market and potential hazards. Our clients’ utilization of these monitoring capabilities has led to improved risk management and the ability to respond swiftly to market changes.</li> </ul> <p>The enhancements we’ve delivered are a result of a symbiotic relationship between market dynamics and technological advancements. Market members benefit from both market-driven needs and technology-driven innovations. The evolution of EP3™ is a great example showing how Connamara Technologies has to stay responsive to evolving market conditions while leveraging cutting-edge technology to provide tailored solutions that empower the exchange operator.</p>

<p>5. <b>To what extent have your markets recovered / developed in the post-Covid timeframe? How much of this is down to innovation in the way contracts are derived and traded and what pressure does this put on your operations? Is technology the key?</b></p>	<p>We are deeply passionate about opening new markets, and there has been a notable post-pandemic surge in demand for products, such as O-day options, environmental assets, and an array of tokenized offerings, that has driven the growth of new exchanges. Our commitment to advanced technology has allowed us to develop solutions that address the core requirements of exchanges and the nuances of a new offering. We understand that each exchange may have its unique “secret sauce” in how they derive and trade contracts, setting them apart in the competitive landscape.</p> <p>EP3™, as an asset-agnostic platform, is designed to provide adaptability and flexibility. We recognize that our customers may seek to tailor EP3™ to fit their specific market dynamics and leverage their unique “secret sauce.” To support this, we offer robust documentation and access to a team of expert engineers, providing a spectrum of solutions that can be customized to meet their distinct needs. In essence, the synergy of innovation in new product development and the adaptability of technology is the key to addressing evolving market demands. Connamara Technologies is dedicated to leading in both areas, ensuring market expansion and the effective realization of unique market strategies.</p>
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# DGCX

DGCX – Louis Hems, Commercial Director



<p>1. <b>What was the main motivation of DGCX when applying for AFM membership? What are your expectations, what benefits can AFM bring to you?</b></p>	<p>As the largest and most diversified derivatives exchange in the Middle East with global coverage in key global markets, joining AFM represents a great opportunity for DGCX to establish new relationships with a broader network of exchanges. Having participated in various AFM conferences, we have seen firsthand the value in networking opportunities and the building of longstanding partnerships with tech partners and other exchanges so that we can better serve the investment and trading community in our region.</p>
<p>2. <b>Markets seem to be evolving at a faster rate than has previously been experienced. In your experience what has / have been the most significant drivers of change? Does the current rate of change bring with it previously uncharted elements of risk?</b></p>	<p>Given the pace of development of digital technologies, particularly around payments and blockchain technologies, we are seeing a wave of high-potential innovations that can benefit the market substantially. Effectively managing risk is critical and will always be a key driver of market stability. DGCX prides itself on offering a diverse portfolio of products that provide our customers with risk management capabilities, especially considering DGCX’s role as one of the most diversified CCPs in the MENA region.</p>

<p>3. <b>What service and trading improvements have you been able to deliver to the market member base either directly or indirectly? Are these improvements market or technology driven?</b></p>	<p>As a relatively young exchange which is still evolving and growing, DGCX has prioritised innovating around local, regionally focused products. A great example of this is the recent launch of a physical delivery Shariah-Compliant Silver Contract, which complements our Shariah-Compliant Gold Contract. Additionally, we also launched a much-needed gold repo product to enhance liquidity capabilities for bullion dealers. In terms of technical drivers, we are exploring offering faster settlement cycles for our precious metals’ offerings. These solutions, along with others, are all part of our ongoing strategy of enhancing the market in our region to better serve investors and traders and to meet their continuously evolving needs.</p>
<p>4. <b>To what extent have your markets recovered / developed in the post-Covid timeframe? How much of this is down to innovation in the way contracts are derived and traded and what pressure does this put on your operations? Is technology the key?</b></p>	<p>We saw a slight softening in the number of contracts traded in 2023 compared to 2022. However, this was on the back of double-digit growth in trading activity in 2022, so it was always going to be difficult to maintain that level of volume. Overall, we are pleased with the overall level of trading activity post-Covid and we are working closely with our members to introduce new market features and reduce barriers to trade – such as fee incentives for some of our most actively traded contracts. From a technology perspective, DGCX continues to work with our technology stakeholders to continuously improve our offering across spot, futures, and clearing services.</p>





## exberry

**Exberry** is one of our most recent members. Founded in 2018 Exberry is now recognised as a prominent provider of financial exchange infrastructure with numerous clients already realising business benefits from its multi cloud-based solutions. Exberry has been an AFM member and regular conference participant since 2021.

In August 2023, Exberry proudly announced its partnership with Abaxx Technologies Inc., a company at the forefront of financial software and market infrastructure. Abaxx Technologies is the majority shareholder of Abaxx Singapore Pte. Ltd., the owner of Abaxx Commodity Exchange and Clearinghouse. Together, they are poised to transform the landscape of commodity futures trading.

At the core of this partnership is Exberry's cloud-native trading technology platform, a solution that brings unprecedented flexibility, scalability, and accessibility to Abaxx's suite of futures contracts. These contracts initially cover LNG, Carbon, and Nickel Sulphate, with plans for expansion into other commodities post-launch.

Exberry's cloud-native SaaS trading engine is designed to deliver unrivalled price discovery capabilities, empowering market participants to optimize their futures positions within Abaxx Exchange and Clearinghouse. Moreover, Exberry's technical prowess enables Abaxx Exchange to introduce innovative, centrally cleared, physically delivered futures contracts and derivatives to the market.

Dan McElduff, President, **Abaxx Exchange** reflecting on the partnership with Exberry commented "Solving fundamental problems in today's global commodity and energy markets requires cloud-based solutions with precision at an expeditious pace; we found that in Exberry."



Guy Melamed, Co-Founder and CEO of Exberry, echoed this sentiment, emphasizing the alignment of values between the two companies. "Working with Abaxx marks a significant step forward in our mission to provide cutting-edge technology solutions to empower innovative financial platforms," he shared. "Abaxx's commitment to creating smarter markets and their focus on energy transition commodities trading aligns seamlessly with Exberry's values. We're excited to see our trading solutions contribute to their success, driving efficiency and growth in the evolving landscape of commodity exchanges."





**Securities and Trading Technology, STT**, has long been an active member and conference participant of AFM. Since formation in 1985, STT has evolved into a leading international supplier of technology to the world's financial markets and continues to grow.

We are pleased to report two notable but diverse successes in 2023 for STT which further consolidate their position in the market.

### **STT and FMDQ Nigeria**

In July 2023, FMDQ, the leading financial market infrastructure in Nigeria, announced that it had successfully gone live with STT's Exchange Solution for Derivatives. This marked a mutually significant milestone as the Derivatives Market officially launches and begins operations on FMDQ's platform.

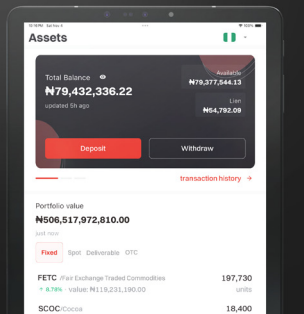
STT's Exchange Solution for Derivatives offers a robust and technologically advanced platform that enables seamless trading and clearing of derivative instruments. This solution has equipped FMDQ with the tools to provide market participants with enhanced trading capabilities, improved risk management tools, and increased transparency in the derivatives market. With its user-friendly interface, market participants can easily access real-time market data, execute trades efficiently, and monitor their positions effectively.

### **STT and the Namibian Stock Exchange**

In October 2023, STT and the Namibian Stock Exchange (NSX) announced the successful go live of STT's Automated Trading System (ATS). The introduction of this innovative technology marks a significant milestone in enhancing the efficiency and functionality of the Namibian capital market.

Developed by STT, ATS is designed to provide the NSX with a seamless, dependable, and transparent trading platform. With improved order execution and streamlined processes, the ATS ensures a superior trading experience for investors and market participants alike. This initiative underscores STT's commitment to empowering exchanges with innovative and flexible solutions.

Commodities trading  
made easy for you



# AFEX Launches Africa Exchange Platform



Today, Africa's commodity ecosystem faces core challenges across insufficient infrastructure, inefficient markets, and fragmentation of market participants. These are issues that can be solved by targeted interventions in commodity value chains across Africa, but also by

innovative technology and product development. We recently launched a new trading platform at AFEX that follows our first foray into digital commodities trading with the launch of ComX in 2020. This new trading platform, named Africa Exchange, further transforms the commodities space in Africa by enabling commodities market players on the continent to meet and interact both in the physical and financial markets.

Africa Exchange provides a structured marketplace duly regulated by Nigeria's Securities and Exchange Commission (SEC), ensuring that users can participate in various trade or investment opportunities. Data and information crucial to decision-making are readily available on the platform, offering a comprehensive and informed trading experience. Africa Exchange will replace ComX, which has served over 80,000 investors in Nigeria and facilitated trades worth over USD200 million since it was launched in 2020. The transition further bolsters AFEX's mission of facilitating wealth creation for a new generation of Africans by providing them with alternative investment options to enrich their existing portfolios. Additionally, AFEX aims to enhance intra-African trade by strengthening commodities

trading within Africa and supporting the African Continental Free Trade Agreement's (AfCFTA) mission to improve regional trade integration to boost economic development and food security across the continent.

The Africa Exchange platform prioritizes three key things;

- **Market education:** With Africa Exchange, we are prioritizing building the knowledge base of current and prospective investors, by leveraging responsive interfaces and targeted content for different classes of investors.
- **Access to data:** Data and information crucial to decision-making are readily available on the platform, offering a comprehensive and informed trading experience. By syndicating daily prices, we are enabling market players to negotiate equitable contracts.
- **Innovative products:** The platform continues to provide alternative investment products across different market boards with increasing participation from capital market operators – fund managers and asset managers – creating products to list on the Exchange.

Improving our core infrastructure and delivering a better digital interface for commodities trading and investment on the continent strengthens the commodities ecosystem in Africa as we continue to lay the foundation for a wider product range with the inclusion of non-agriculture commodities and a derivatives marketplace.