

KLCE Launches Strategic Custom Basket Negotiation Technology

KLCE.org introduces a guiding program for issuers, market users, and other interested parties to review new functionalities



Kuala Lumpur, Malaysia May 23, 2022 (IssueWire.com) - Kuala Lumpur Commodity Exchange (KLCE), a pioneering commodity exchange that provides exhaustive and convenient access to the Malaysian commodity markets, today announced the launch of new electronic functionality for exchange-traded funds (ETFs) principal market users in order to compile custom basket proposals. The use of custom baskets for ETFs according to the rules will be expanded.

The outcome of the strategic custom [basket negotiation technology creates the opportunity](#) to offer greater tax efficiency and better liquidity. KLCE's ETF platform represents an open structure and a principal market technology solution for primary market ETF activity that permits a more consolidated and simplified process for ETF introduction and compensation. It actually supports both Asia domestic equity and fixed income ETFs.

The custom basket negotiation technology enables market users to check, communicate and collect custom baskets with the issuers in electronic format. The platform offers a straightforward process, allowing users to deliver approved baskets to empowered participants to place an order. This function is created to help fixed-income market users switch from customized processes, thus reducing the operational risk through adjustment and informational technologies.

In order for customers to approve the new technology and experience its efficiency, KLCE supports the functionality of a program that allows market participants to use the custom basket negotiation technology in an actual production condition. Additional interested parties in innovative trading are expected to expose themselves to the new strategic technology.

"Building and placing custom formation and redemption baskets in a consistent manner represent our conception for the platform since we are examining possibilities to automate the ETF primary market. Having this new functionality, we are promoting a strategic solution that helps market users distribute custom basket workflow much more efficiently and promptly", said Sandakan Saleniman, President of KLCE Markets and Group Head of Equities, KLCE.

About Kuala Lumpur Commodity Exchange (KLCE)

KLCE.org is a pioneering commodity exchange that provides exhaustive and convenient access to the

Malaysian commodity markets. The Exchange's markets offer clients trading opportunities across a diversified range of asset classes all combined with best-in-class post-trade services. KLCE is the main liquidity and price discovery center for Malaysian markets. KLCE hosts are trading in equities, bonds, derivatives, currencies, money market instruments, and commodities. The Exchange is also a leader in driving the modernization of Malaysia's financial markets infrastructure and promoting Kuala Lumpur as an international financial center.

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