

TOCOM and S&P Global Platts Sign Memorandum of Understanding

PR Newswire
TOKYO

TOKYO, Nov. 22, 2016 /[PRNewswire](#)/ -- The Tokyo Commodity Exchange, Inc. (TOCOM) and S&P Global Platts (Platts), announced today that they have signed a Memorandum of Understanding (MOU), to cooperate in developing active markets and benchmark prices for Japanese domestic oil refined products and liquefied natural gas (LNG) in Asia.

Under the terms of the MOU, both parties will share their expertise in relation to LNG and Japanese domestic oil refined product prices, and will work together to accelerate TOCOM's development of derivatives products based on such prices with the aim of enhancing risk management and market transparency for the benefit of all market participants.

Takamichi Hamada, President and Chief Executive Officer of TOCOM, said "We are excited to embark on this cooperative effort. Platts' assessment prices are highly relied upon as benchmark prices by market players, which is demonstrated by the high liquidity of the TOCOM Dubai Crude Oil Futures that is settled against Platts' Dubai assessment. We believe that our joint efforts based on this MOU to develop LNG and domestic oil refined product markets will bring great benefit to players in these markets. For LNG in particular, we believe that developing a mechanism by which the trades at JOE's planned physically deliverable market are reflected in Platts' assessment, will lead to the "creation of a proper price discovery mechanism" by "adding spot trading functions." to JOE's market, which is proposed in the "Strategy for LNG Market Development" published by the Japanese Ministry of Economy, Trade and Industry (METI) in May 2016."

Martin Fraenkel, Platts President, said: "We are proud to be working alongside TOCOM to serve the needs of participants in the Japanese oil and gas market ecosystem. As Japan moves towards increased energy market liberalization, we have invested to launch new price assessments that meet the specific needs of the Japanese market. We look forward to continuing to work with TOCOM to enhance price transparency and market efficiency."

About Tokyo Commodity Exchange

Tokyo Commodity Exchange, Inc. (TOCOM) is Japan's largest commodity futures exchange and one of the most prominent in Asia. Products include futures and options on precious metals, energy, natural rubber and agricultural products. TOCOM's gold market is the most liquid in East Asia and its Platinum market is the most liquid in the world. TOCOM Rubber is the established global benchmark. TOCOM has been committed to developing an Asian LNG market, through its affiliate company, Japan OTC Exchange, Inc. (JOE) since September 2014.

All of TOCOM's products trade electronically, and with over 24 million contracts changing hands in 2015,

TOCOM trades 98.5% of Japan's commodity futures. Recent market upgrades are meeting the needs of the global trading community and now half of trading originates outside of Japan. For more information, please visit www.tocom.or.jp.

About S&P Global Platts

At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

S&P Global Platts is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for companies, governments and individuals to make decisions with confidence. For more information, visit www.platts.com.

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