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New Zealand's exchange seeks scale through strategic alliances with global peers

NZX provides a further update on its refreshed strategy and delivery plans, announcing its intention to progress strategic alliances with global exchanges in order to increase its connectivity and global scale.

The exchange completed a comprehensive review of its business in 2017. This resulted in a fundamental reset of its organisation as New Zealand's exchange renewed its focus on the core markets division and the customer.

NZX is today building on this work implementing an initiative which will formally connect New Zealand's exchange with its global peers via a series of strategic alliances. While in its early stages, these alliances will create an increasingly compelling service offering for NZX's current and prospective customers, particularly those seeking to access new markets and capital pools. It will also broaden the local market's product offering for New Zealand investors.

Alliances with global exchanges are intended to have several layers starting with the mutual recognition of each market's listed regulatory regime; the promotion of market development initiatives across a range of areas including derivatives products, dual and secondary listings, exchange traded funds and investor participation; and then progress towards connecting trading and clearing systems to offer a seamless experience for customers.

NZX Chairman James Miller commented: "This is a major step for New Zealand's exchange. As part of the development of our strategy we are committed to expanding the reach and connection of the New Zealand market, and to providing our current and prospective customers with greater options and benefits. We believe that breaking away from the regional stock exchange model, and creating a network of global exchange alliances is important in achieving this."

"NZX has the ability to play a meaningful role in facilitating easy access with global exchanges, which will deliver value for our customers and increase New Zealand's presence and relevance in global markets," Mr Miller commented.

The Memorandum of Understanding NZX signed with the Hong Kong Exchanges and Clearing Limited in January, and the Singapore Exchange earlier this week reinforce New Zealand's close trading relationship with Asia. NZX is keen to further develop connectivity with New Zealand's trading partners.

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