



News Release

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SGX and Temasek JV ties up with Covalent to build end-to-end digital infrastructure

Singapore Exchange (SGX) and Temasek today announced that its digital assets joint venture (JV) – Marketnode – has partnered with fixed income issuance and data firm, Covalent Capital (Covalent), to build Asia Pacific's first, end-to-end digital infrastructure in the fixed income space.

This latest development follows the [JV announcement by SGX and Temasek on 22 January](#). As part of the partnership, Marketnode will acquire a minority stake in Covalent.

Marketnode will tap on the accelerated need to digitalise and optimise workflows to meet demand for capital in Asia, starting with fixed income (FI). The partnership is poised to consolidate primary FI workflows as bond issuances continue to grow in Asia ex-Japan, where G3 primary issues have grown 46% to US\$387 billion over the last two years, totalling more than 800 new issues in 2020 with more than 450 issuers and 200 arranger banks.

Through their partnership, Marketnode and Covalent will work together to streamline the listing, straight-through processing and settlement of bonds and activities in bond lifecycle management. It will connect Covalent's flagship OMAS platform, which is a data, book building and allocations tool, with SGX's listing, post-trade and asset servicing capabilities, thereby providing the Asian bond market with a unique, one-stop listing, issuance and lifecycle management platform.

This builds upon SGX, Temasek and HSBC's digital bond collaboration, which saw Olam International's inaugural digital issuance in August 2020 and subsequent return with an additional S\$250 million digital issuance in January 2021.

Lee Beng Hong, Senior Managing Director, Head of Fixed Income, Currencies and Commodities (FICC), SGX, said, "We are pleased to hit the ground running with Marketnode by partnering Covalent in this effort. Covalent is an ideal partner for us given its focus on the syndicated bond market, where there is a critical need for digitalisation to meet the needs of issuers, buy-side institutions and service providers. This is a significant step towards building an issuance-to-settlement platform that addresses all of their infrastructure needs."

Pradyumna Agrawal, Managing Director, Blockchain@Temasek, added, "We see the transformative potential of end-to-end digital asset solutions for financial transactions. We are excited to take the next step with this partnership between Marketnode and Covalent. Bringing together core capabilities and insights across the organisations involved will help deliver greater and more meaningful impact as we continue to digitalise and innovate across our capital markets infrastructure."

Mr Lim Cheng Khai, Executive Director (Financial Markets Development Department) of the Monetary Authority of Singapore, said, "Digitalisation and automation will lead to higher level of efficiencies, market transparency and information availability for all industry participants including

banks, investors and issuers. MAS welcomes SGX, Temasek and Covalent's partnership to build the first end-to-end digital infrastructure supporting the digitalisation of fixed income markets in Asia."

Sanjay Garodia, Chief Executive Officer at Covalent Capital, said, "We are really excited to take the joint product to stakeholders involved in the capital markets space from issuers and law firms to underwriters and investors. The investment by SGX and Temasek validates the need for a holistic solution to the legacy infrastructure which currently supports the burgeoning market."

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About Marketnode

A joint venture between SGX and Temasek, Marketnode is a digital asset infrastructure firm that uses smart contracts, ledger and tokenisation technologies for traditional capital markets products.

Marketnode aims to support the future digital marketplace and ecosystem across multiple asset classes, through a trusted market-wide infrastructure, enabling inter-operability and fostering digitalisation in capital markets. Its initial focus is on fixed income, where it will partner upstream bond issuance platforms to create a first-of-its-kind, issuance-to-settlement and asset servicing platform for Asia bonds.

About Singapore Exchange

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. It also operates Asia's only multi-partner, multi-asset exchange-led sustainability platform (sgx.com/first).

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.

About Covalent Capital

Covalent Capital (Issue New Bonds, The New Way) is a B2B financial technology company started in 2017 specialising in capital market solutions. It harnesses technology to solve for cost, process and information inefficiencies. Founded by Sanjay Garodia, Mayur Ghelani, TJ Ho and Parag Patankar with a firm belief that primary capital markets processes are ripe for change, the founders offer deep domain expertise having run large franchises for fixed income products with top investment banks, and product teams at global enterprise technology companies.

Covalent Capital's first product "OMAS", launched in December 2018, is a full life-cycle product for the issuance of new bonds, a first-of-its-kind in the world, and is supported by the Monetary Authority of Singapore through the Financial Sector Development Fund. Over 200 financial institutions across Asia represented by over 1000 high impact fixed income professionals are happy ambassadors of OMAS.

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