Customer case study

MEAG partners with LSEG for centrally cleared FX NDF trading

By partnering with LSEG, MEAG now executes electronically on FXall and clears at LCH ForexClear within one continuous workflow, gaining the credit and capital efficiencies of clearing while keeping the full breadth of non-cleared FX on the same venue.

LSEG

Overview

MEAG is the asset manager of Munich Re and ERGO. As part of Munich Re Group, MEAG manages major asset classes across global markets, including fixed income, equities, real estate, renewable energies and infrastructure, as well as natural capital. With locations in Munich, New York and Hong Kong, MEAG combines long-term investment management with specialist market access and risk-controlled execution capabilities.

Shaped by Munich Re's global footprint and complex asset-liability profile, FX plays an integral role in asset steering and risk management across their entire value chain, where FX is considered one of their key strategic asset classes alongside others.

Operating at the intersection of long-term investing and global capital markets, MEAG combines portfolio management with active trading capabilities on behalf of the wider Munich Re Group. This dual role provides a distinctive perspective on emerging market currencies, where non-deliverable forwards (NDFs) are a key instrument for proper exposure management in markets with evolving structures, specific liquidity constraints, and/or regulatory complexity.

Under the umbrella of its well-established centralised multi-asset trading desk, MEAG is committed to continually enhancing its trading model by driving execution efficiencies and maintaining prudent risk management. Against this backdrop, NDF trading has emerged as an increasingly important strategic priority.

The challenge: Managing risk, liquidity, and operational complexity in Emerging Markets

While NDFs are essential for accessing and managing emerging market currency exposure, traditional bilateral trading models can introduce operational challenges for buy-side firms.

Furthermore, liquidity in some emerging markets can be fragmented, and access to it is often constrained. In addition, uncleared margin rules (UMR) – under which collateral is exchanged bilaterally – often add further complexity when monitoring thresholds at the individual counterparty level. This is particularly relevant during periods of heightened market volatility, when the ability to execute larger trades is most critical.

“Traditional bilateral NDF trading brings operational complexity, fragmented liquidity access, bilateral credit constraints and additional margin requirements under uncleared margin rules. Especially during periods of higher volatility, this can make counterparty exposure, collateral and risk management more demanding. Addressing these challenges was the focus we brought to LSEG.”

Elke Wenzler
Global Head of Multi-Asset Trading at MEAG

For MEAG, the target model was to increase access to deeper liquidity pools while scaling existing execution capabilities to enhance risk control and execution capacity, without creating an additional layer of manual processes.

The solution: Driving efficiency through integrated execution and clearing workflows

Building on its long-standing use of FXall as an electronic trading platform, MEAG worked with LSEG to implement a fully integrated, end-to-end workflow for NDF trading and clearing.

The resulting model brings together:

– Order staging and electronic NDF execution via FXall,
– Central clearing through LCH ForexClear, and
– Settlement and post-trade processing supported by LSEG infrastructure and MEAG's internal systems

This integrated approach provides MEAG with seamless execution into clearing, reducing reliance on bilateral credit lines while further improving liquidity.

More importantly, it allows cleared NDF trading to be embedded directly into MEAG's existing trading workflow rather than being treated as an isolated process.

Delivered through close collaboration between MEAG and LSEG, as well as clearing brokers and counterparties, the implementation followed a structured, phased approach – aligning objectives, designing processes, testing end-to-end flows, and scaling activity post go-live.

As a result, MEAG became one of the first buy-side firms to execute and clear NDFs, marking a significant innovation milestone for the FX market in 2026.

"Through close collaboration and partnership, MEAG and LSEG have created a seamless workflow combining order staging and electronic execution via FXall, central clearing through LCH ForexClear, and settlement supported by LSEG infrastructure and MEAG's systems, reducing reliance on bilateral credit and embedding cleared trading into existing routines."

Lyubomir Apostolov
Head of FX for Continental Europe at LSEG

Connecting the dots between liquidity seeking and bullet proof execution

By moving NDF exposure into a centrally cleared environment, traders face fewer bilateral credit constraints and spend fewer resources on monitoring counterparty limits and margin thresholds. This empowers them to increase execution quality and spend more time on current liquidity and market conditions, especially during periods of heightened volatility.

"The cleared NDF trading model brings many benefits: it lowers bilateral credit constraints, allowing traders to focus on execution quality and liquidity, enhances balance-sheet efficiency, reduces counterparty risk, and promises improved pricing and deeper liquidity in cleared NDF markets over time."

Andrew Batchelor
Head of LCH ForexClear at LSEG

Clearing supports balance-sheet efficiency, eases liquidity management and contributes to operational robustness across the entire trade lifecycle, while reducing counterparty risk for both MEAG and its trading counterparties.

In doing so, MEAG and its partners paved the way to reshape the NDF market landscape over time.

Benefits at a glance:

- End-to-end workflow: NDF exposure calculation in MEAG's Order Management System, automatic order upload into FXall's Portfolio OMS, trade execution in FXall, download into the client's OMS, automatic post-trade routing via Settlement Centre – clearing at LCH ForexClear; all "plug-and-play" from the trading desk's perspective.
- Liquidity and credit efficiency: Central clearing supports MEAG's ability to trade larger sizes when bilateral lines may otherwise constrain execution with certain counterparties.
- Operational simplicity: Standardised and existing confirmation processes preserve best-execution auditability and integrate cleanly into downstream back-office systems.

"An asset manager does not have to choose between best execution and clearing. We turned NDF clearing from a multi-step operational project into a streamlined workflow: automatic order upload into FXall, trade execution on FXall, clear through LCH, with Settlement Center stitching the pieces together so MEAG can access deeper liquidity even when bilateral credit is tight."

Lyubomir Apostolov
Head of FX for Continental Europe at LSEG

Setting a blueprint for buy-side innovation in FX

"We are delighted to welcome MEAG, joining the growing cleared FX network. Increasing participation and continued volume growth is evidence that our customers understand the tremendous benefits FX clearing delivers and are keen to clear with as many counterparties as they possibly can."

Aymeric Aubry
Head of LCH European Relationship Management at LSEG

As cleared NDF trading continues to evolve beyond its traditional interbank roots, MEAG's experience offers a practical blueprint for other asset managers, insurers and corporations navigating similar challenges around liquidity access, credit constraints and operational efficiency. This is supported by LSEG's integrated state-of-the-art infrastructure platform, which enables expanding buy-side participation beyond FX and into other asset classes.

About LSEG

LSEG (London Stock Exchange Group) is more than a diversified global financial markets infrastructure and data business. We are dedicated, open-access partners with a commitment to excellence in delivering the services our customers expect from us. With extensive experience, deep knowledge and worldwide presence across financial markets, we enable businesses and economies around the world to fund innovation, manage risk and create jobs. It's how we've contributed to supporting the financial stability and growth of communities and economies globally for more than 300 years.

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