



Gavin Knight
Analyst
OTC Intermediary Compliance Team
Australian Securities and Investments Commission

By email: market.supervision.OTC@asic.gov.au

17 June 2019

Dear Mr Knight

Re: Notice of Direction under s912C(1) of the *Corporations Act 2001*

Please find IG Markets Limited's response to items 11(l) and 11(m) enclosed.

We kindly request that you view the data provided together with the following explanatory information.

As explained in our letter dated 15 May 2019, the nature of IG Markets' data storage prior to mid-2017 is such that attributing transaction costs and client profit and loss at an underlying market level required several joins from different data sources on keys that were not intended for this purpose. Because of this, there were a small fraction of ledger entries that we were unable to attribute to an underlying market. Specifically, these failed merges affected 0.005% of commission charges, 0.01% of funding charges, and 0.03% of dividend adjustments. Notwithstanding this, we expect the net effect of these omissions on the final data provided to be minimal.

Further, certain data from 2014 was unavailable. Specifically, overnight funding charges for forex positions from 1 January 2014 to 17 October 2014. Therefore, the data is presented without these charges. The effect of including this data would likely lead to a small drop in the number of profitable clients on FX markets in 2014 when transaction costs are included.

Finally, there are cash adjustments on client accounts which we were not able to attribute to individual markets. For example, client rebates; cash corrections for errors; and goodwill payments. The effect of including this data would likely lead to a small increase in the number of profitable clients before and after transaction costs are included, as these payments tend to be client credits.

We note that the data shows that in the absence of transaction fees, approximately 50% of clients are profitable or unprofitable on each market. The inclusion of transaction costs means the number of profitable clients per market typically falls below 50%.



Please do contact me should you wish to discuss this letter, or the data provided in response to the Notice.

Kind regards

A handwritten signature in black ink that reads 'Kylie Paton'.

Kylie Paton
Head of Compliance, Australia
IG Markets Limited

