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Summer Playlist 2026 | Episode 2
Joe Raia, Thomas McMahon, & Russell Robertson from the Abaxx Team

On the second installment of our *Summer Playlist* this week, we welcome Thomas McMahon, Joe Raia, and Russell Robertson into the SmarterMarkets™ studio. Thomas is Co-Founder of Abaxx Technologies; Joe and Russell are Chief Commercial Officer and Chief Business Development Officer at Abaxx Exchange and Clearinghouse.

David Greely sits down with them in Singapore to discuss their experiences in building new commodities futures markets from first trades to commercial adoption over the past five decades – and the opportunities they see ahead.

Thomas McMahon (00s):
If you look at global economics, if you look at the shift from Europe to North America and North America to Asia, I mean, this has gone over a century, right? But it goes faster. The shift from North America to Asia, it went twice as fast as it went from London to New York. And it will continue. It will continue across and probably maybe in 20 years, you are back into middle Europe or mainstream Europe, who knows, or South America, right, the green global south. But the reality is we are a commodity and financially dependent world. And the more risk on the more volatility that we have, the more need for hedging instruments have to be created.

Announcer (38s):
Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?
This episode is brought to you in part by Abaxx Technologies. AI agents are fundamentally changing how people and organizations interact with computers and the internet. A race is underway to establish the path that will govern the nature of these interactions. Abaxx Technologies introduces Abaxx Labs as its center for engaging with the developer community through the release of open source software to promote a path that empowers users to maintain control of their identity, data, and agents in digital spaces. Abaxx Labs' first release is the Agents++ library, a subset of Abaxx's ID++ software development kit that has been tuned for use with AI agents. Download Agents++ on GitHub today at github.com/abaxxlabs. That's github.com/abaxxlabs.

David Greely (01m 59s):
Welcome back to Summer Playlist 2026 on SmarterMarkets. I am Dave Greely, Chief Economist at Abaxx Technologies. Our guests today are Tom McMahon, Co-Founder of Abaxx Technologies, and Joe Raia and Russell Robertson, Chief Commercial Officer and Chief Business Development Officer at Abaxx Exchange and Clearinghouse. We will be discussing their experiences in building new commodities, futures markets from first trades to commercial adoption over the past five decades and the opportunities they see ahead. Hello, gentlemen. Welcome to SmarterMarkets. We are all together in Singapore and it's created this great opportunity to really discuss your collective insights and experiences in building commodity markets over the past five decades. And Tom, I thought I would start with you. You are the chair of the natural gas committee. When the Henry Hub natural gas contract was launched, I believe you did the first trade in Henry Hub. What was your experience building liquidity in that contract starting from trade one?

Thomas McMahon (03m 08s):
Thanks, Dave. Great to be here. Yeah, that first trade it's really what gets you to the first trade is the it took us three years and it began in 1987. Might come onto the board and it was a voluntary program. It was sort of like, hey, what are you interested in? And guys would take on different roles and I love doing product development. So they said, and I put my hand up and I said, okay, you are going to be the chair within that gas committee and I was like, great and I went on this three year learning curve of a learning the industry as much as I knew about crude oil or gasoline or refining and that gas industry was an outlier, it was part of the core energy complex, but it was just deregulating at that time and it was the opportunity to get it into a pipeline contract. So from '87 to March of 1990, it was really a learning path. When we got to March of 1990, we got to know exactly what we knew the most about. Actually trading in the physical pits, making a price and getting a, you know, the first of the open interest on it. And to get to that first day, it was the markets were by 1990, NYMEX generally the core markets around crude and the refined products were active and the 4 to 500 trading members that were around the floor in any given day were pretty occupied. So it was like, how do I get the attention for a new contract and

interestingly, that first day in the NAC gas pit, three people showed up, me and two other guys And we almost had to bribe them to come into the pit because people really go, what am I going to do here? Well, we know the rest is history. It's a brilliantly successful contract, but we applied the same theory to that first day of NAC gas as we did to the first day of crude oil in 1983. And then subsequently post that the first day of power trading in 1993. And it was really about a collective exercise in commitment, right? Knowledge learning or sharing And really it was that we said, let's take a shot at it. It was a bit of a punt. There is no guarantees on new contracts by any means, but it's, we do have a history in terms of market launchers. And it's really, you just, you sort of apply that logic to it, but you also put your wallet on the table. People make commitments and not, it's not just about time, it's time, money and knowledge and a little bit of history.

Russell Robertson (05m 26s):
Why did you go after those products in the first place?

Thomas McMahon (05m 30s):
The 1980s and 90s were really a major time of deregulation, both in North America and in Europe, and the interesting thing for the natural gas markets at that time was that the deregulation of the interstate commerce commission, so the United States up to that point in time under the war powers act, it was sectionized or you had sections across the country, the power markets were divided and the pipelines were divided. So when they crossed state lines, there was different regulatory frameworks that managed it and by into the late eighties, they deregulate the interstate commerce commission, which allowed for the unencumbered transportation of energy products across state lines with a single taxation basis right? So basically the whole concept of tolling was removed. So there you had an opportunity then to basically take gas directly out of the Gulf of Mexico and send it initially was to what was called the Chicago city gate, which was the straight north pipeline.

David Greely (06m 27s):
And Tom, how did you go from those three traders in the ring on day one to commercial adoption of the contract?

Thomas McMahon (06m 36s):
And again, it was commitments. People realized that there was a demand, right? It was very much a commercial contract because the, the buy side of natural gas or utilities, you are not filling up gas tanks, like with a gasoline contractor, you are not filling up a refinery with like you're doing a crude oil contract, this was going directly out of pipelines, the utilities. So it was really the power markets that had to be the adopters. And Joe was part of that market ultimately too, was you talk to the major energy, the demand side, the buy side. So the utilities realized very quickly with this deregulatory effect that they could competitively price their upstream and downstream demand. They had already recognized the floors, the opportunity, the crude oil contract success of the late eighties proved that we could create a commercial energy price that was viable for hedging and financing. So they adopted the NAC gas, but it took a crisis to do it. And that crisis was not just similar, sort of what we're going through today with the Iranian crisis, the disruptions in LNG with the Qataris situation in the Straits. It was a mother nature, mother nature sent a series of storms into the Gulf coast of the United States, and it completely disrupted the transportation systems and the only system that was not disrupted turned out to be the Henry Hub Pipeline System. And suddenly we had the de facto performance positioning and the world turned to NYMEX and said, Oh, we are going to use you. And we created a price where nobody else could create a price. We created a settlement and delivery system when nobody else could perform for a number of months and as you can say, the rest is history, but that wouldn't, but it took three and a half years to be an overnight success.

David Greely (08m 23s):
And Joe, how does that resonate with your experience as you became involved towards electronification? You were one of the builders of ClearPort and cash settled contracts. How did that change launching new products?

Joe Raia (08m 38s):
It was interesting that when we looked at what brought the need for the use of the exchange for risk management tools in the over the counter market, all the products that in the Henry hub contract that Tom was involved in developing, you know, all got disrupted not only with the storms, but also during the financial issue when Enron defaulted. I had been working at Aquila Energy in Kansas City. I worked with a former friend of mine who went to Merchant Marine Academy with me. He was the head of trading at Aquila and I was working there. 9/11 happened. I met Vinnie Viola through a mutual family friend. And Vinnie said, you know, you have over the counter energy experience and you are working for a big gas company. And we need to basically find a way to take all those over the counter contracts that were being traded bilaterally and bring them into the exchange because all the firms that were also trading bilaterally

were trading on exchange through Henry Hub contract, but they needed to take all these basis contracts, not gas basis, and a lot of the markets that developed as Tom was talking about the deregulation of the U S energy markets, both in gas and power, they wanted to bring that onto the exchange, use the clearing mechanism, the risk management mechanism of the exchange to basically bring back liquidity into the markets cause everything froze, literally trading stopped. If you look at volumes on the NYMEX back in the day, the decrease in volumes in 2000, 2001, certainly 2001 before, right during 9/11, but then into the later part of a one, really things stopping into '02. Interesting that the amount of time that it took from concept to launch of ClearPort was remarkably short given how political the exchange was back then it was a member organization. They didn't want anybody competing in the markets and it was going to be difficult to bring this out, but they figured that if it doesn't threaten the Henry hub contract, that's okay. They were okay with it. It was cash. Most of the contracts were cash settled based on indices. And we had to go to the, I sat basically in a closet for two weeks. And Vinnie said, go in there and don't come out until you can figure it out. And we worked on utilizing relationships with brokers, mainly because the exchange wouldn't allow us to, the members wouldn't allow us to launch an electronic platform because they felt that was going to be competing with the floor. And so we went the broker route, which was our only alternative and engaged with quite a few of the brokers. One who was working, who is now, or who works at ICE now, very successful there, Chris Edmonds, who became still is a very close friend of mine. And he helped really educate the broker community to what the exchange was trying to do.

Joe Raia (11m 22s):
So back then the OTC markets had zero relationship with the futures exchange. It really didn't need to really, because they were doing their own thing in the, in the gas markets and the OTC markets. So we had to really engage with them and tell them that we weren't trying to kill their or steal their business and launched a series of contracts after about, so it was the end of May in 02. So we started on the project in December of 01. And by May of 02, we had submitted it to the CFTC and went live with it, which was a really quick period of time. And as Tom said, the rest is history from a product perspective. And it really took, I mean, it took three years for Henry Hub. It took me literally a year plus on the road, educating, not only the brokers, but then all the trading firms and how you take an over-the-counter contract and actually change it into a future. So it was quite innovative. It had never been done. We used the EFP, Exchange for Physical and Exchange for Swaps mechanism that the exchange had the use of to take that over-the-counter contract. And then in a transitory EFP, as they called it, move it into the futures market. So it was very innovative. And ICE launched a competing market as Cleared Swaps, which is an interesting time right now, because in today's market they are actually debating that Cleared Swap regulatory collusion again. But I think the launch of ICE launching their own competing platform really caused us to move a lot faster. And we got it done and we got it out. But as I said, it took an amazing amount of time to educate. I spent days in various trading firms in Houston. Meeting with all the different departments, legal, compliance, regulatory, risk, everything to really help educate them on this. So it was quite an interesting time and again, the rest is history from the products that we launched initially. And then the acceleration of the market saying, Hey, this is a really, really important new way of trading and risk management and the amount of products that after my 11, 12 years there, actually it was the exchange, I launched almost 2000 products and most of them were cash settled. So to your question, that was an easier route because we had underlyings with Henry Hub and the other benchmarks, WTI and some of the refined products, but to go to a Platts or an Argus and use their pricing for cash settled insurance in that case basis and other products made it easier for us to launch those products. I mean, we were at a cadence of almost 10 to 15 a week launching products. It was quite amazing. And it just, it became a huge revenue opportunity for the NYMEX.

David Greely (14m 07s):
And Russ, I am curious as you listen to Tom and Joe, how much of that resonates with your experience or how much had the markets just really changed and we have already had going from the pit competing with the screen to the world of only screens.

Russell Robertson (14m 22s):
Yeah, I mean, I guess I would say I have just realized it's a bit of an honor to be calling you guys my peers now and no disrespect, but some of the things Tom's talking about, I was still in junior school, right? So, and then obviously I was getting into business myself when Joe was developing that part of the world. And I think really from my, I started out as a trader and then moved and finger clicking trader as well on the screens into product development. And the things that we do today for building our markets do have the same journey path to them. I think the main big difference would probably we are internationalizing. So the journeys that these guys went into, we do the similar sort of things, but with other nationalities, right? We help build commodity markets for places that are becoming more niche and more specific. So the idea of a WTI, you know, or Brent, these types of products are very relevant and very big, and now we spend a lot of time trying to make things much more bespoke for people to make their risk reward and management of their risk much more particular, but to get to that point is education, talking to people, understanding exactly how all of this basis risk take place in Singapore. We say same, same, but different because it's very much.

David Greely (15m 40s):
And I think you and Joe have a point of overlap, not overlap, but connection, right, both working on Middle Eastern crudes.

Russell Robertson (15m 49s):
I was working at the CME group, working in sort of operational product management or product launches. And I was then moved over in 2019 to work for a company called Dubai Mercantile Exchange. And it was originally a joint venture between NYMEX and Yemeni Oil Ministry, basically, which also had some input from Dubai. And interestingly, both Joe and Tom were there at the beginning of that thing. I obviously started way later. I mean, that business is 17 years old now.

Joe Raia (16m 24s):
And it started right here in Singapore. We, Tom and I were out here back in 2004, I guess, and yeah, we sat with Dr. Fesharaki, who we hired as a consultant to the whole project came about and looking for a sour crude contract. That was another benchmark outside of Brent, right? So that NYMEX was always looking, Tom, you can relate to this better than I can. But my experience was we were always trying to find a competing contract for Brent, then NYMEX passed up on the opportunity to buy IPE back in the day. So after that, they were constantly either looking for a Brent contract that we launched probably three or four times, but also something competing. And there was this notion that a sour crude east of Suez was an important contract, and we had employed Fesharaki to look at the various streams of crude that were coming out of the Middle East and to find something that could be a benchmark in the region, more of a regional benchmark.

Russell Robertson (17m 24s):
Armani crude was sort of a benchmark into seventies in like an OTC and people just recognized it, Armani is a very safe country, very politically stable. They are quite often known as the Switzerland of the Middle East.

Joe Raia (17m 35s):
Beautiful actually.

Russell Robertson (17m 36s):
And it's beautiful too. So it became a natural choice for me, a product, and it has been adopted quite widely across by Middle East producers. And it now trades the spread against this thing called Dubai. So Dubai versus Armani is a very, very significant product that's traded by many people and that's ultimately how you got a lot of these Chinese type companies getting involved in derivatives because they ultimately needed to hedge the oil flow that was coming into China from the Middle East.

Joe Raia (18m 06s):
It took a long time though to get that. I mean, even after I left the CME after the merger in 2011, it took a long time. We tried for all those years from when we launched it until even way after I left to get the Chinese market, to get the Saudis involved, right, to get it as a component of their OSP pricing. That was the hardest part.

Russell Robertson (18m 27s):
I became the Chief Commercial Officer in 2019 and then 2018 had been when the Saudis had come in. The Saudis bought the QATs, the Iranians and obviously Armani and interestingly, people trade Dubai today on a Dubai basis, but actually the Dubai government, when they sell their oil, they sell it on an Armani. So it's changed. I mean, we could tell you a hundred stories about different mechanics that work and don't work, but yeah. It's fascinating how that took that much time. So in 2007, I think they launched a 2006 with their first trade.

Joe Raia (19m 01s):
That is a long time. Yeah.

David Greely (19m 01s):
And you mentioned the indexation and getting the price into the contract. How important is that and what does it take to get a price adopted into the consumer or producer contracts?

Russell Robertson (19m 14s):
I think there are two things now. It depends on what you are trying to achieve. So if you have a concept where you want to build a very physical contract, futures contract, that's very, very physical, you want that asset to move from one place to another. Then ultimately the indexation becomes quite relevant. So the idea being that if I am a producer of something and I sell it to someone else, the price that I sell from me to them, we want that to be a benchmark because that allows my buyer to be able to hedge their risk against the thing that they ultimately bought. It is not so much designed for the seller because they have that control of how they want to do that. But it also allows them to build market share because people have an expectation of what that thing costs. Whereas you can look at it in another way, like cash settle futures. You don't really need that to be in a contract, not really, but it has to just be something that's relevant to the marketplace. So the idea that you can just list the futures contract just because you like it doesn't really work. There has to be a rational reason, whether it's an arbitrage against something else or whether it's related to an asset or commodity or doesn't have to be a commodity, could be an interest rate or a foreign exchange or anything, there has to be a reason why someone wants to trade that thing.

David Greely (20m 27s):
And now you are all working at Abaxx launching new markets. When you think about all the experience that you are drawing upon, what's the challenge, what's the playbook that you are operating from today to build liquidity in new markets?

Russell Robertson (20m 41s):
Yeah. I mean, for me, the ultimate goal is always to bring in that commercial activity, right? So some of the big products that we know today, and WTI, I mentioned over and again, just because it's on top of my head, but people don't always understand that a lot of consumers or traders or hedgers, however you want to describe them, they use those products because they have liquidity, not necessarily because they are the right thing to manage at risk. So it's up to us to promote things that are actually mathematically, quantitatively correct for their portfolio hedging. Now for us to do that, we can create the product, we can give them the solution. You can prove the quantitative side of this is a better way to manage your risk. However, a lot of traders are very comfortable to sit and do things the way they've done for the last 10 years, right? So we have to create liquidity from financial players to give these people the opportunity to trade in the market. They need a counterparty, but the ultimate goal is always, always to move the product into a commercial space. So you are creating a price for an asset at a given place at a given time, rather than me saying, you know, I am buying oil in China, but I am using a price in Europe. It doesn't actually make sense, but the dynamics of the market, it just developed that way over the last 20, 30, 40 years.

David Greely (22m 01s):
And how different is building that initial liquidity today to go back to Tom with the natural gas contract? I remember we had Michael Marks on who was the chairman of the NYMEX when the early days of heating oil and WTI, and there was a lot of arm twisting, right? To get people to be in the ring, picking markets, a lot of beg, borrow. How does that work in an electronic age where you don't have the pits, you don't have those connections?

Thomas McMahon (22m 27s):
It's interesting. It's actually no different and I will tell you why. So to get the guys in the pits, it was definitely arm twisting. It was an economic interest in that you can incentivize the members to participate. And typically what you would do, especially on NYMEX, NYMEX was I used 1990 when we didn't have gas launch. The rest of the market was very busy at the time. So how do I get somebody out of a pit where they know they are going to make money into a pit where like, so you may not, you may not be making money or your, your time, your spending time, as opposed to making money with your time. It was tough to do. So we had to negotiate with these guys. So we had get them to come into the pits for two hours at a time. So somebody would show up from 9:30 to 11:30. So somebody would be there at 11:30 or 1:30 and then somebody would be there from one 30 to three 30. And that was it and usually in groups of twos or threes. So you diversify your risks. You all take a piece, you take a piece. And people would establish positions and people started, there had to be like anything else, man, we are economically driven, right? You have got speculative interest. That's economically driven and you have commercial interest, right? So if we are making a new price, that's going to be very speculative because we are still trying to just figure it out. But once you get a market established, now you have got a commercial economic value, now you can get real hedging. And, and it takes time. Well, now you have got a balance in the markets. You don't necessarily have to go out and try to sell yourself or oversell yourself. You will have financiers that'll want to come in and use your price to become price takers. The liquidity providers, the incentivized schemes that are done electronically today, they could be, we had broker, basically incentive programs that if you traded so much volume over a certain month, you would get a small, and it wasn't huge, you would get a small incentive for every trade that you made. And it was done on a rebate basis. So there was little incentives and it made people pay

attention to what the market potential was. But more importantly, it enhanced the value of the exchange. And that was really the bottom line. There were shareholders in the exchanges as at that time, it was the members, right, the 816 members of NYMEX. So if a contract succeeded, it enhanced the value of the underlying asset. And that's really, it becomes very circular. And I think that's a really important aspect that we sometimes ignore that it's not just that micro, like what'd you do today? Like, oh, wait a minute. No, we created this tail of value. It enhances a much broader value proposition than just that micro market.

Russell Robertson (24m 54s):
I think what we learned over time though, that you can't just fill the market based on that. It has to have a commercial aspect.

Joe Raia (25m 01s):
You can't attract the commercial interest without the liquidity.

Russell Robertson (25m 05s):
Yeah. So the idea, when I say financial market, I don't mean interest rates and foreign exchange, just a derivative contract marketplace ecosystem. There has to be a commercial interest or commercial desire at some point along the line, because having a group of people to trade with each other on incentives or whatever that may be, doesn't have to be proven time and time again, and we always strive to have a very commercial view at the end. Then we know that the idea of the product and the specs that we have designed have a very specific reason to ultimately solve some sort of basis risk in some form.

Thomas McMahon (25m 44s):
And I think commodities are a great example of that because if you look at the world and you go, there is no single price for oil, as much as we sit and we talk about Brent and talk about WTI, there are 65 grades of crude that are traded on an active basis around the world every day, but they are traded on a basis, the deep liquidity is in Brent and TI and somewhat in the Brent buys up red and stuff like that. But, and then all other commercial aspects price off of that, those trades ultimately get to the exchanges as a hedge and usually against Brent and TI hedge. Right and then you do a basis, an EFP mechanism. ClearPort became the solution to where Enron had been the, the liquidity and the maker taker for everybody and when Enron disappeared, suddenly you had these huge counterparties looking at each other going, I can't trade with you. I have nobody in the middle. And we became the solution in the middle. That's what ClearPort did and took up that counterparty risk mitigant through a regulated entity and we adopted a price mechanism that allowed for transparency. The new markets have to have the same economic viability. So we are trading gold here in Singapore. There is validity in making a price for gold in Singapore today, as opposed to a gold price in New York or gold price in Tokyo or China or Sydney, right. It's a currency risk, location risk, demand, taxes, tariffs, tariffs have had a huge influence on us recently, right. So it makes for different economic viability to create new contract pricing.

Russell Robertson (27m 12s):
I think that counterparty point was very important, actually. There has been a lot of people in our world, globally, as we globalize and become more international, people still have to pay more for things just because who they are and exchange allowed people to come to a central point of transaction and get them a better price because it's, it's ultimately got a bigger number of buyers and sellers and therefore we find the central point of value. Whereas if I am not going to name anyone particularly, but someone in, in a, in a different country wants to get a price for a kilo bar of gold in Singapore, they will pay a price plus a premium from someone that that guy decided on what that person is going to pay. So a lot of the time that's just to do with my name or who I am or where I come from at an exchange, we don't have to worry about any of those. We are your counterparty. We give you access to a market that's decided by numerous individuals from different backgrounds and different goals to create our best bid and offer and that's where counterparties are.

David Greely (28m 13s):
I have heard you each mentioned in this conversation, everything starts with having the better contract, right? The more suitable hedging instrument, the more accurate reflection of the risk someone wants to trade. And then at the same time, a liquid bad contract will often be an illiquid good contract. So how do you get, as you are building the initial liquidity in the markets, what conditions do you need to create? What feedback do you get from commercials that lets you know, what do we need to be doing to get them into hedging, into trading in a new instrument?

Joe Raia (28m 53s):
I think that the initial inbound comes from the commercial markets. I think from what we have been designing here and even going back to the days of the NYMEX, the market was not shy about telling you what they wanted, whether it was something that they needed for risk management, as Russell was saying, or for, you know, just for trading, whether it was a utility or oil company or natural gas company, there was some reason why they wanted a futures contract. Again, as Tom said, back in the day, when Enron defaulted, everybody looked around, couldn't trade with each other. They needed something to help them trade and manage risk. So they came to the exchange. They said, we need you to design these contracts. In addition to the benchmarks like Henry Hub, we need you to design these contracts, whether it was a basis contract. So you are getting inbounds all the time. And it's no different here at Abaxx. Now our initial LNG contract, our gold contract, our silver contract, our weather futures, all these contracts, we didn't design in a vacuum. The marketplace came to us and said, we like what you are doing. We are not getting maybe the right look from the other incumbents. You guys have an opportunity to help us as the marketplace to develop these new tools for managing risk and it was interesting of all the contracts that I launched during all my years at the NYMEX and the CME, there was ideas that were gone. There's so many other opportunities out there for us to use our location here in Asia, in addition to our risk management tools through the clearinghouse, to really bring helpful contracts to the marketplace, you look at our gold and silver contract, as Russell was saying, it's really become in a very short period of time, I think something that is exciting because it's trading the way we designed it. Marketplace will not also not, will not be shy about telling you if there's a reason that they're not trading it. Is it designed poorly? You need to tweak it a certain way. As we like to say, Dan McElduff likes to say who designs our products, they are living and breathing things and you are constantly looking for feedback. And if you have a good sales team, like we do, you are going to get constant inbounds from customers, not only for new products, but they are going to tell you, Hey, that's something, there's something wrong here. You got it wrong. Tick size. You got it wrong, settlement timing, whatever. They are never shy about telling you what you need to do to make it better.

Thomas McMahon (31m 13s):
There is no lack of opinion.

Joe Raia (31m 14s):
Exactly, exactly and it's good. It's healthy. Really it helps us, right? Helps us know what to do to make sure that we have a successful contract. You look at all the contracts we launched and how many of them are trading already. It's quite amazing actually.

Russell Robertson (31m 30s):
We were talking about it earlier today, but I grew up in a place called South Finland Sea, which is in the South Coast of England and it was a seaside town. And all along the front, it's like a poor man's Las Vegas and we have these machine called penny droppers and you put the coins in and eventually they pile up and then they fall over. Building a futures market is very much like that in my mind. So I think about the things I can do to help build the product and that is create some liquidity. We have this thing called the bid and offer, which is where I can buy and where I can sell, if I can make that price tight, then that's appealing to people. When they log onto the screen, they need to see that there is stuff there for them to trade. We can do those things. The difficult bit is to your question is the commercial feedback. So we can do all those things, but there is a lot of things that happen in corporate world, geopolitical world that can give you challenges and hurdles. Even the psychology of traders, you know, the hierarchy within the companies that are taking part could be the best product to your point. But if we can't get the right people to make a right decision at the right time to trade, then sometimes you just can't be that stuff we are talking about political decisions, corporate decisions, financial decisions, financial decisions. So we work very much to get to all the penny dropper and then we have to spend a lot of time in education, trying to encourage people to understand why we think these solutions work. Most of the time they do luckily.

Joe Raia (32m 55s):
I think when you look at how many futures contracts have been launched over the years and how many are successful, they are a small percentage. So I think when you look at our numbers so far, Touchwood, we have been very, I think, pretty excited about the successes that we have had, and I think it's a testament to everybody really engaged. We have such a great team that is so engaged with the marketplace to bring not only new opportunities, but the continuous getting that feedback loop on what's right and what's wrong.

David Greely (33m 23s):
I wanted to come back to a point you made earlier, Russ, which is the kind of globalization of these markets. In a sense, it used to be very much a Chicago, New York, London world in futures, and now you have got if city in India, if you look at China's futures markets, they dwarf the markets outside of China. How does that change how you think about product development and building new markets?

Russell Robertson (33m 53s):
When we think about some of the historical markets that people trade, they tend to reference the big monster products that are very generic meanings and pricing. What we try to do now and how we think about internationalization is how do we make products or develop products and markets that traders can manage their risk properly in a very specific way to the international areas that they're working in. So if I look at India and China, they are very different places to do business than going to New York and Chicago. They are very different cultures, very different ways of doing business, and we have to be very mindful of that and we need to create a product that's relevant for the purpose of rebuilding it. So rather than something like Brent and TI, many reasons why that's become successful, it's got its history, it's had political things that have made it grow and been adopted as a major benchmark, and it will never go away. It's always going to be part of the ecosystem, but we can build things that can bring that connectivity together. And liquidity that's in Brent or Henry Hub is relevant to us. It's important because if we build our Gulf of Mexico LNG contract, we want people to continue looking at Henry Hub because it's connected. One's gas, one's LNG, but we try and encourage and say, can't really use that Henry Hub price to manage your LNG contract because it's different. They are different products. It's like saying my apples and my pears, they're two different things. So, but that interaction and that connectivity and that liquidity is important to keep together.

Joe Raia (35m 19s):
Yeah, it's a good point. I think when you look at the benchmarks, I think the thing that we can help the marketplace with are smaller pools of liquidity, right? So, I mean, yeah. Would you want a contract to trade a million contracts a day? I would equally like to take 10 contracts at a hundred thousand a day, because you are probably having more interaction with commercial firms. Pools of liquidity can trade amongst themselves. I look at some of the products that I launched back in the day in like natural gas, liquids markets that are relatively small, but you are satisfying a need for that small pool of liquidity and participants in that pool that may trade that natural gas liquids, but maybe somebody else in the company may be trading, want to trade a benchmark. And that helps us to get and create surface area with those companies and really offer a full suite of risk management tools for them.

Thomas McMahon (36m 10s):
I think one of the things too, can new benchmarks be created, there's always opportunities and an example of here was the iron ore markets and it's relative to what we are doing for LNG. 20 years ago, the iron ore market was dominated by five companies. They were all long-term 10 to 20 year deals. There was no room for anybody to speculate. And it was, you know, it was Australia to China, Australia to Japan, Australia to Korea and such and then one day somebody said, hey, I am going to put a couple of extra cargoes on the water and let's see if we can get a different price. And they broke the back of term and it went from 20 years to 10 years to five years and suddenly there were one year deals and then one day it was the broker, the ship brokers were going, Hey, we will do, I got 62% iron ore on a boat. Anybody want to buy it? And suddenly you got a spot market that didn't exist. And SGX intelligently saw the opportunity to not necessarily trade iron ore, but clear iron ore. So they took a page out of what we had done with ClearPort. They copied ClearPort also incredible Asia clear in 2005 and they were actually didn't have a lot of products in Asia clear, but here was they had spare clearing capacity and they said, let's clear these iron ore boats for the brokers and as success, and then China went, Oh, we can do that too. And then they took and ramped it up. And now suddenly you have this massive ARB market between Australia, Singapore, and China, a new market benchmark was born. LNG is in exactly that same. If you looked at LNG 10 years ago, it was all term and it was dominated by Japan, Middle East. And then suddenly China said, hey, we want to do that too and then the Koreans and the Taiwanese and then America started to create the, you know, the FDIs said, Hey, listen, we want to create LNG on the back of fracking suddenly we have capacitive, right. Guy would say no, I can take gas out of Henry hub and turn it into an LNG product. Now, but there was no future price, right? It was all basis, right? They were mostly priced over Brent. Dirtiest, craziest hedge I have ever seen in my life going. It was nuts of the guys that were training Brent and putting the hedges on we're making fortunes. But the reality is the financier said, no, we need a price for LNG and that's really still the opportunity today for that benchmark price for matching. And that's what we are in the midst of that because more and more spot cargos have gotten into the marketplace.

Russell Robertson (38m 42s):
Yeah. And this is going to continue. I think about how industry changes, you know, the development of batteries and rare earth metals and all of the types of things they are small now, but, but we all sort of know that in the future that they seem going to be very relevant for our lifestyle. So they are only going to grow. So it just depends on what point can we create a solution to help with that industry to silver used to be a precious. It's now an industrial product that these things change very rapidly. So we always have to be aware of ultimately the commercial and the industrial process and how commodities are moving from one place to another. So to your point about opportunity, there's always going to be new opportunities. We just have to be smart about how we build it and when we build it.

David Greely (39m 26s):
So you guys have been through a lot of different transitions in the markets over the years, and it sounds like there's a lot of excitement coming up. It's interesting in that, as you have said, LNG, instead of natural gas, we've got battery materials, you have carbon emissions markets. How much scope do you think there is for new product development, new markets, particularly with so much of the physical market now sitting where we are in Asia?

Russell Robertson (39m 54s):
Just quickly for me, people don't always understand or take seriously how much of the world's commodities is not actually even hedged. So the price of a commodity moves around a lot, right? If we have a geopolitical event, like what's happening in the Middle East at the moment, or a tariff becomes slapped onto something because of some international dispute, that price of that commodity changes and that impacts someone buying a loaf of bread back home in England. I mean, there is quite significant stuff going on there. So for us, there is a lot more scope for trading partners to get more involved in the future market. So that will be my quick point on that.

Thomas McMahon (40m 36s):
I think if you look at global economics, if you look at the shift from Europe to North America, and now North America to Asia, I mean, this has gone over a century, right, but it goes faster. The shift from North America to Asia, it went twice as fast as it went from London to New York. And it will continue. It will continue across and probably maybe in 20 years, you're back into middle Europe or mainstream Europe, who knows, or South America, right? The green global South. But the reality is we are a commodity and financially dependent world and the more risk on, the more volatility that we have, the more need for hedging instruments have to be created, just crude oil, right. Crude oil coming out of the Middle East. Banks just go yell, lend you for those 2 million barrels. They are going to go, what's the price and what's the hedge, right and everybody hedges in that. The guy who leases the ship hedges. The guy who owns the ship is hedged. The bank is hedged against the cargo that's in it. The refiner is hedged against it because he has got a downstream, he is probably forward sold when he does his cracking. So there you can have five or six different hedges on a single product on a single trade deal and the markets have provided that. Well, we have still have opportunities to provide those instruments for hedging and financing and de-risking. That's the future of this part of the world that we're in today.

Joe Raia (41m 57s):
Yeah, I think that when you look at products and to both of your point, you know, there is always something that's going to come up. Russell, you said the world runs on commodities. There's so many out there. People talk about rare earths now that are so much in the spotlight. We look at lithium, right? Our opportunities in lithium where China is a big component of that, but now the West is looking at alternatives there. And how do we, as a global exchange, provide tools and products and contracts for that particular marketplace to not only manage their risk, but also to look on the financial side, you know, all the, back in the day, when firms were using WTI and Henry hub, they were also using the forward curve on that, a pricing curve to finance refineries and pipelines. And because there was a price that a bank can go to and say, I know that the price that spot is this is X, but I know 10 years or five years out of the curve, I can finance your pipeline or your liquefaction terminal, your refinery based on what the price of WTI will be, or natural gas will be five years from now. And then we see the same thing in LNG. We see the same thing in lithium, lithium producers and new producers in the North American area are using on need to have a price reference to say, okay, I can look at your, that X lithium price for the U S two years to say, okay, I know what the price is going to be. That gives me certainty and managing risk around the price movement of, of that particular commodity. So that's an important thing. So those products that we think never would be usable on an exchange or don't even exist are just still, but it's just so many of them that we can really put our processes around risk management to helping the marketplace.

David Greely (43m 45s):
Thanks again to Tom McMahon, Co-Founder at Abaxx Technologies, and Joe Raia and Russell Robertson, Chief Commercial Officer and Chief Business Development Officer at Abaxx Exchange and Clearinghouse. We hope you enjoyed the episode. We will be back next week with another episode of Summer Playlist 2026. We hope you will join us.

Announcer (44m 05s):
This episode is brought to you in part by Abaxx Technologies. AI agents are fundamentally changing how people and organizations interact with computers and the internet. A race is underway to establish the path that will govern the nature of these interactions. Abaxx Technologies introduces Abaxx Labs as its center for engaging with the developer community through the release of open source software to promote a path that empowers users to maintain control of their identity, data and agents in digital spaces. Abaxx Labs'

first release is the Agents++ library, a subset of Abaxx's ID++ software development kit that has been tuned for use with AI agents. Download Agents++ on GitHub today at github.com/abaxx labs. That's github.com/abaxxlabs.

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