

# FX PRODUCTS



In a world of increasing volatility, CME Group is where the world comes to manage risk across all major asset classes – interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, and alternative investments like weather and real estate. Built on the heritage of CME, CBOT and NYMEX, CME Group is the world's largest and most diverse derivatives exchange encompassing the widest range of benchmark products available. CME Group brings buyers and sellers together on the CME Globex electronic trading platform and on trading floors in Chicago and New York. We provide you with the tools you need to meet your business objectives and achieve your financial goals. And CME Clearing matches and settles all trades and guarantees the creditworthiness of every transaction that takes place in our markets.

## FX PRODUCTS

### DESIGNED FOR THE RAPID PACE OF A GLOBAL MARKETPLACE

With an average daily notional value of trades that exceeds \$100 billion, CME Group is the largest regulated marketplace for FX (foreign exchange) trading, and the second largest electronic marketplace for FX trading in the world. We offer transparent pricing in a regulated centralized marketplace that provides all participants equal access to 43 futures contracts and 32 options contracts based on 20 major world and emerging market currencies.\* Trading FX at CME Group gives you effective and efficient investment and risk management opportunities and unprecedented access to a global array of market participants – including banks, hedge funds, proprietary trading firms and individual traders.

\*CME Group will offer 43 futures contracts and 32 options contracts based on 20 global currencies after the launch of the Turkish lira futures contracts (USD/TRY and EUR/TRY) and the Australian dollar European-style options contract (AUD/USD) by the end of Q1 2009.

# ALWAYS INNOVATING

## THE WORLD'S LARGEST AND MOST DIVERSE FINANCIAL EXCHANGE

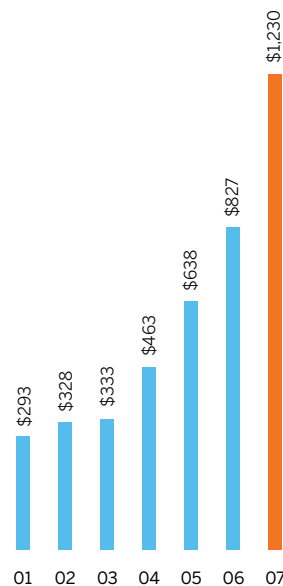
CME Group created the first ever financial futures contracts in 1972 with the introduction of FX futures. The concept of FX futures was revolutionary, and gained immediate credibility through the endorsement of leading economists. Today our innovative products cover major market segments – including interest rates, equities, foreign exchange, commodities, energy, metals, and alternative investment products such as real estate and weather – and improve the way these markets work for customers everywhere. In addition, CME Clearing matches and settles all trades and guarantees the creditworthiness of every transaction that takes place in our markets.

We are committed to helping you see the greatest returns possible from your trading strategies.

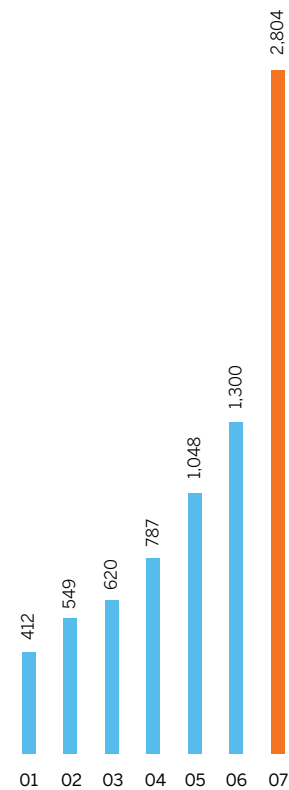
### Making markets work for you

We are committed to helping you see the greatest returns possible from your trading strategies. So we are continually developing new products, diversifying into new market segments, and enhancing the speed, capacity and functionality of CME Globex as well as third-party transaction processing, clearing and related services.

This commitment has resulted in a continuous surge of new customers and accelerating year-on-year growth across the exchange. Driving volume and liquidity. Increasing opportunities for you.



**CME GROUP TOTAL NOTIONAL VALUE\***  
(in trillions of dollars)



**CME GROUP TOTAL TRADING VOLUME\***  
(in millions of contracts)

\*Volume and notional value figures through December 2007.

A large school of fish swimming in blue water, with the word "LIQUIDITY" overlaid in white text. The fish are silhouetted against the blue background, creating a dense, textured pattern. The word "LIQUIDITY" is centered horizontally and vertically, rendered in a bold, white, sans-serif font. The overall image conveys a sense of movement and fluidity, which is a metaphor for liquidity in finance.

# LIQUIDITY

# THE VOLUME **YOU** NEED TO DRIVE MAXIMUM RESULTS

More than \$100 billion in FX futures and options flow through CME Group FX markets every day, making CME Group the world's largest regulated marketplace for FX trading and the second largest platform overall. When you trade on CME Group, you'll be trading with a diverse universe of market participants. This diversity allows for a deep pool of liquidity in a variety of streams, that keep tight bid/offer spreads, especially in the most popular products – generally as small as a one-point spread in EUR/USD and one- to two-points in JPY/USD and GBP/USD.

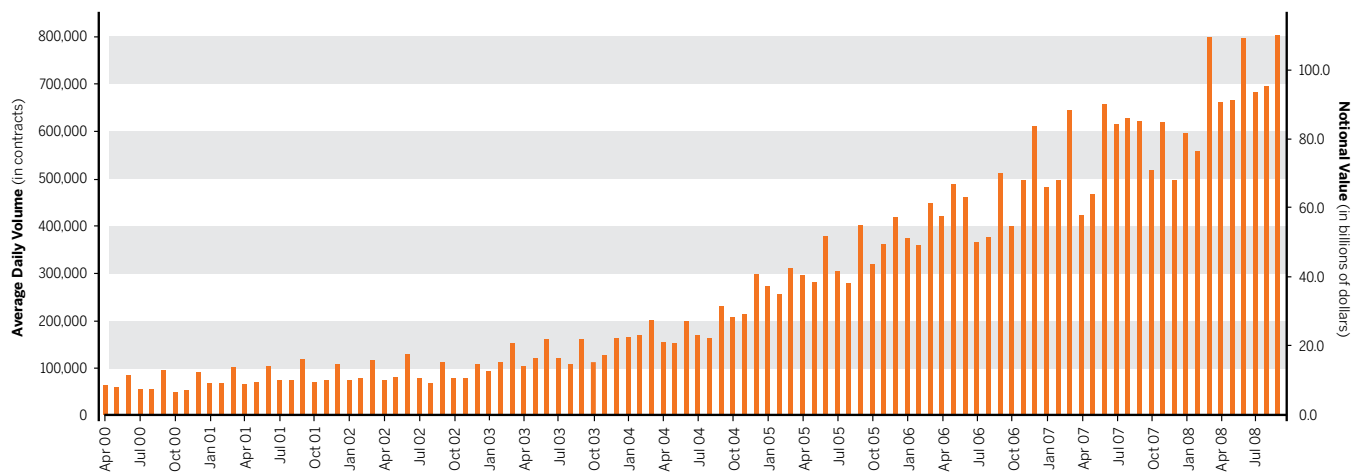
**\$100**  
BILLION  
every day

CME Group FX futures and options are supported by automated trading systems supplying continual feeds from a diverse group of global FX market makers. These pricing feeds are real-time dealable quotes that allow CME Group to deliver

exceptional market liquidity and a dynamic trading venue for a large pool of participants, including:

- Banks
- Hedge Funds
- Proprietary Trading Firms
- Commodity Trading Advisors (CTAs)
- Active Individual Traders
- Multinational Corporations
- Currency Overlay Managers

**FX FUTURES AND OPTIONS AVERAGE DAILY VOLUME AND NOTIONAL VALUE**  
(APR 2000 – SEP 2008)





# SPEED

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Shinjukuogado nishi

中央線  
新宿駅 300M

中央線

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市ヶ谷

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エスパス  
パチンコ

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PRONTO  
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CLIMBER  
1-31001



激安の贈

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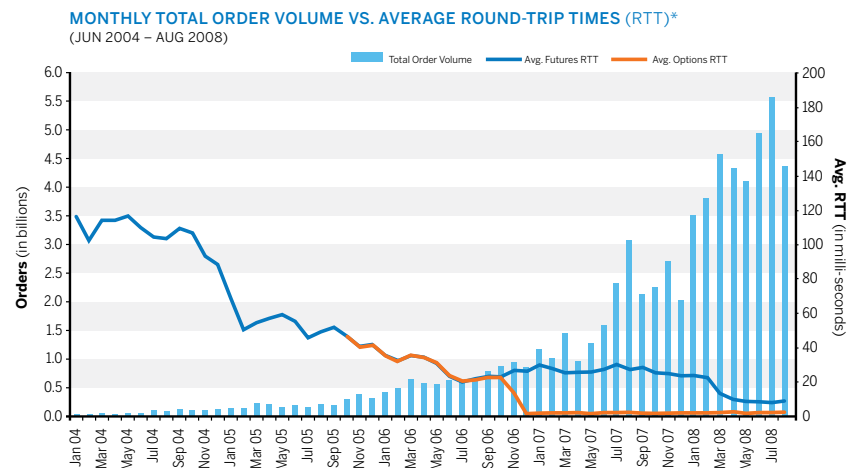
武蔵野

武蔵野

# CME GLOBEX: THE UNMATCHED PERFORMANCE YOU NEED TO SUCCEED

In a global marketplace, milliseconds may mean the difference between breaking even and profit. Speed becomes less of a luxury than a business imperative. FX trades on CME Globex are executed and instantly confirmed back to you no matter where you are in the world – significantly faster than competing electronic platforms.

Open virtually  
24 hours a day  
through more  
than 1,100 direct  
connections in  
86 countries and  
foreign territories.



As CME Globex trade volume has increased, average trade execution times have become even faster. CME Globex is capable of handling over six billion trades a month with an average 11-millisecond response time.

## Delivering you opportunity around the world, around the clock

You can easily access the CME Globex trading platform because it's open virtually 24 hours a day through more than 1,100 direct connections in 86 countries and foreign territories around the world, as well as through telecommunications hubs – located in London, Amsterdam, Dublin, Milan, Paris and Singapore. That means reduced connectivity costs, increased accessibility and fast, efficient trading of CME Group products.

## Dedicated access, reliable, fast connectivity, today

For high-volume trading firms, low network latency can directly influence your rate of return. That's why CME Group offers CME LNet, a customer-managed solution offering 40 or 100Mbps connections to CME Globex via a CME Group-specified colocation facility. For customers all over the world, CME LNet delivers low latency access straight to our private fiber optic backbone – cutting out third-party network delays and minimizing the speed of light issue. Your trades get done faster and opportunities are seized more effectively.

For more information about the speed, efficiency and flexibility CME Globex can offer your firm, visit [www.cmegroup.com/globex](http://www.cmegroup.com/globex).

\*Prior to September 2006, options and futures traded on the same matching engines – response times were the same prior to September 2006.

SPEED

A wooden display rack with a 4x3 grid of various patterned fabric samples. The samples include: red fabric with blue and yellow diamond patterns; yellow fabric with blue and red diamond patterns; blue fabric with red and yellow diamond patterns; a gold textured fabric; black fabric with orange and white square patterns; red fabric with black teardrop patterns; dark purple fabric with yellow and white floral patterns; yellow fabric with dark red and black diamond patterns; dark red fabric with white diamond patterns; and a red fabric with white polka dots. The word "CHOICE" is overlaid in white text on the second row, first column.

CHOICE

# A **WORLD** OF FX FUTURES AND OPTIONS TO MANAGE YOUR GLOBAL EXPOSURE

CME Group offers a fully global product suite of 43 futures and 32 options contracts on 20 currencies, including major world currencies such as the euro and Japanese yen, as well as the currencies of countries with emerging markets, such as Mexico and China.\*

These products are available for trading electronically virtually around the clock on the CME Globex platform and on our trading floor. CME Group also lists 20 cross-rate foreign exchange products that are non-U.S. dollar pairs you need.\*

## Currency pairs traded at CME Group:

### G10

AUD/USD $\Omega$	EUR/USD $\Omega$	GBP/USD $\Omega$
AUD/CAD	E-mini EUR/USD	GBP/JPY
AUD/JPY	EUR/AUD	GBP/CHF
AUD/NZD	EUR/GBP $\Omega$	JPY/USD $\Omega$
CAD/USD $\Omega$	EUR/CAD	E-mini JPY/USD
CAD/JPY	EUR/CHF $\Omega$	NOK/USD
CHF/USD $\Omega$	EUR/JPY $\Omega$	NZD/USD $\Omega$
CHF/JPY	EUR/NOK	SEK/USD
CME\$INDEX $\Omega$	EUR/SEK	

### Emerging Markets

BRL/USD $\Omega$	KRW/USD $\Omega$	RMB/JPY $\Omega$
CZK/USD $\Omega$	MXN/USD $\Omega$	RUB/USD $\Omega$
CZK/EUR $\Omega$	PLN/USD $\Omega$	ZAR/USD $\Omega$
HUF/EUR $\Omega$	PLN/EUR $\Omega$	USD/TRY*
HUF/USD $\Omega$	RMB/USD $\Omega$	EUR/TRY*
ILS/USD $\Omega$	RMB/EUR $\Omega$	

$\Omega$  Options products available.

CHOICE

## EXPANDING YOUR OPTIONS

Trading FX options on CME Globex gives you the perfect combination of choice and flexibility you need.

### Choose your quoting method

Two quoting conventions are available for FX options on CME Globex. Whether you prefer quoting in terms of premium or implied volatility, the underlying option contract is identical, making it easier than ever to compare options contract prices with OTC cash contracts.

**Premium** – The price paid by the purchaser of an option to the grantor (seller).

**Implied volatility** – An estimate of the future volatility of the underlying contract that can be input into a theoretical valuation model to solve for an option premium.

### Choose your style

CME Group also offers two expiration styles. Having a choice of American- or European-style options give you the ability to execute a larger variety of strategies based on your trading style.

**American-style options** – Can be exercised at the choice of the holder, on any day up until the day prior to expiration. On the day of expiration, these options are automatically exercised if in-the-money, based on a daily fix calculated and published by CME Group at 2 p.m. CT, 3 p.m. ET.\*\*

**European-style options** – Can only be exercised at maturity and are automatically exercised on expiration if in-the-money, based on a daily fix calculated and published by CME Group.\*\*\*

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\*\*Please refer to the CME Group Web site for the latest information on expiration procedures for American-style options.

\*\*\*For information on the daily fix, please refer to the following Web link [www.cmegroup.com/currencyfixprice](http://www.cmegroup.com/currencyfixprice) to get the latest information on the procedure used to calculate the daily fix and the following link [www.cmegroup.com/fxfixing-price](http://www.cmegroup.com/fxfixing-price) to get the most recently published daily fix values.



# ANONYMITY & TRANSPARENCY

# OPEN ACCESS AND DIRECT PARTICIPATION

CME Group offers equal access to the marketplace for all participants. Individual traders, hedge funds and banks alike see and have access to the same prices with complete anonymity in all bids, offers and execution reports.

The CME Globex platform is an open-access marketplace. You participate directly in the trading process, view CME Group's book of orders and prices, and enter your own orders.

## CME Group FX delivers

**Anonymity** – The open, fair and anonymous trading environment delivers equal access to markets and pricing information whether you are a AAA bank or an individual trader.

**Price transparency** – The complete book of prices is visible to every customer and transaction costs and fees for all parties are fully disclosed.

The screenshot displays the CME Group Foreign Exchange website interface. It features several data tables and callouts:

- Total aFX Volume:** 803,921
- Total aFX Notional:** \$1,768M
- Forward points for the March Futures contract for trade date 02/01/2008:** Currency Bid Offer (Euro FX: -18.00 -17.50, J Yen: -32.00 -32.00, Swiss Franc: -8.00 -8.00, Canadian: 8.00 10.00, B Pound: -42.50 -41.00, Aussie: -42.50 -42.00)
- Forward Points (interest rate differentials):** 18.00, 17.50
- Top five bids and offers:** 9437, 9438, 9439, 9440, 9441
- Best bid in spot equivalent terms:** 19623
- Best offer in spot equivalent terms:** 19628

ANONYMITY & TRANSPARENCY

## CME E-equivalents

CME Group also offers CME E-equivalents, a Web-based application that displays free real-time FX futures and options in spot-equivalent price terms and shows the transparency of the market and the depth of book.

- Top five bids and offers in spot-equivalent terms
- Forward points (interest rate differentials)
- Total number of electronically traded contracts and their notional cash value so far on that day's trading session

Take a look at CME E-equivalents and compare bid/offer spreads before you make your next trade, visit [www.cmegroup.com/equivalents](http://www.cmegroup.com/equivalents).



SECURITY

# THE INCREASED **SECURITY** AND **SAFETY** OF CENTRAL COUNTERPARTY CLEARING

In today's market environment, effective risk management is a business imperative. Risk management opens the door to opportunity. It supports faster and smarter decisions. And although risk management can be measured in dollars, euros and yen, it also depends on the tangible benefits of transparency, liquidity, trust and confidence.

That's what CME Group's centralized clearing capability brings to the FX markets it serves. By acting as the counterparty to every trade, CME Clearing virtually eliminates counterparty credit risk, meaning that for every trade completed on our exchange, we guarantee the financial soundness of both parties. We lead the industry in providing a comprehensive set of risk management services – providing you the security and confidence market participants need to operate, invest and grow. By being at the center of every transaction, we can protect everyone's interest and ensure the integrity of the marketplace.

## Key features of CME Clearing

- **Central counterparty guarantee.** Credit risk is virtually eliminated as CME Clearing becomes the buyer to every seller and the seller to every buyer.
- **\$7 billion in safety and soundness.** In more than 100 years of trading, we have never had a default or a loss of customer funds resulting from failure of a clearing firm.
- **Segregation of customer funds.** Your funds are not subject to creditor claims against your clearing firm should it become financially unstable or insolvent, and can be transferred to another clearing firm if needed.
- **Performance bond requirements.** All of our customers are required to put up a "good faith deposit," or performance bond, to cover the maximum likely loss a position could suffer. In turn, our clearing member firms must post to CME Clearing at least the maintenance performance bonds for all positions carried.
- **Twice daily mark-to-market process.** Accumulation of debts/losses is limited and transparency is achieved as CME Clearing marks your positions to market twice daily.
- **24-hour monitoring by an experienced risk-management team.** Over 120 employees on the CME Clearing and Audits Risk staff use a variety of sophisticated tools to carefully observe risk 24 hours a day, six days a week.

We guarantee the creditworthiness of every transaction in CME Group markets.

# IF YOU'RE LOOKING FOR AN **EDGE** IN FX, LOOK NO FURTHER THAN **CME GROUP FX PRODUCTS.**

To get started trading CME Group FX Products, or for more information, call a member of our FX product team or visit [www.cmegroup.com/fx](http://www.cmegroup.com/fx).

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