

# FX PRODUCTS



As the world's largest and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](http://www.cmegroup.com)) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. CME Group brings buyers and sellers together through its CME Globex electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates CME Clearing, one of the largest central counterparty clearing services in the world, which provides clearing and settlement services for exchange-traded contracts, as well as for over-the-counter (OTC) derivatives transactions through CME ClearPort. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

## FX PRODUCTS

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

With \$3.2 trillion traded daily, FX markets represent the largest asset class in the world. CME Group offers the world's largest regulated FX marketplace and one of the top two FX platforms. We offer transparent pricing in a regulated centralized marketplace that provides all participants equal access to 49 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.

Additionally, we will offer comprehensive and flexible clearing services for OTC FX trades through CME ClearPort – an open-access, platform agnostic, post-execution clearing solution.

# ALWAYS **INNOVATING**

THE WORLD'S LARGEST AND MOST DIVERSE DERIVATIVES MARKETPLACE

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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, credit 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.

## 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.

In 2009, CME Group volume exceeded **2.5 billion** contracts with a notional value of **\$813 trillion.**

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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 our 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 our exchange, 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.

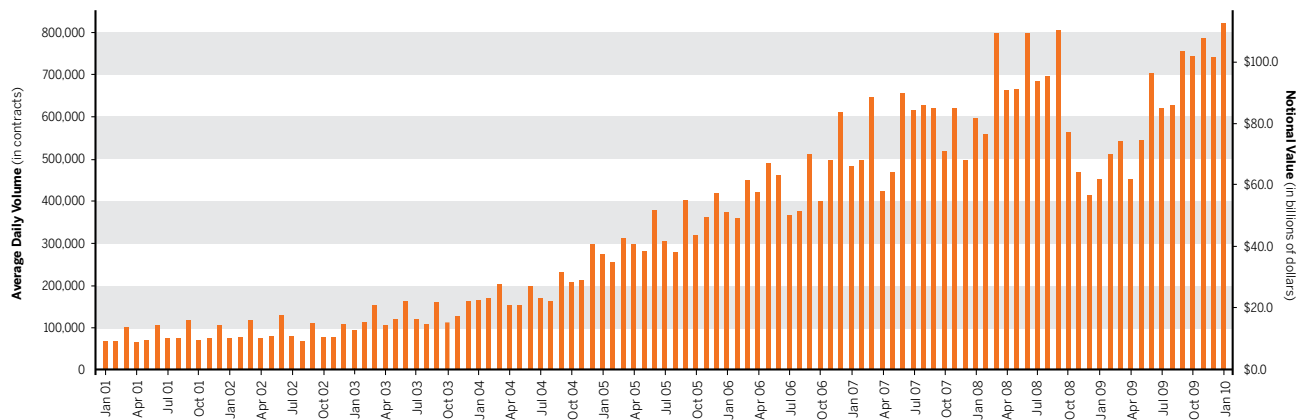
**\$100**  
BILLION  
every day

Our 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**  
(JAN 2001 – JAN 2010)





# SPEED

新宿大ガード西  
Shinjukuogado nishi

中央線  
新宿駅 300M

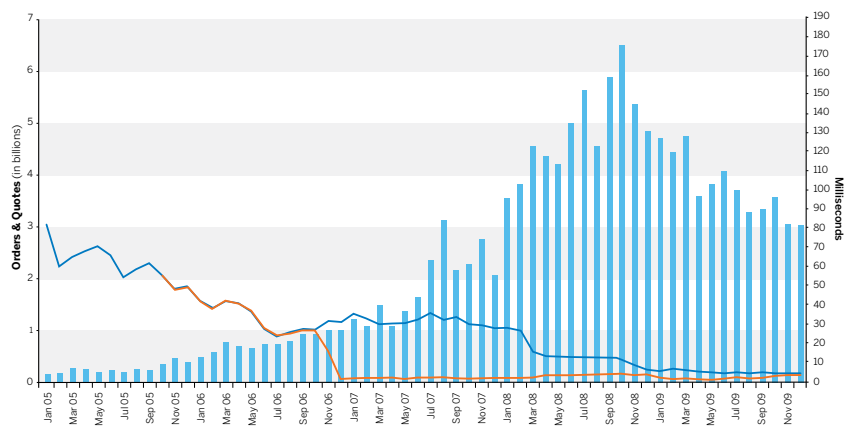
中央線

# 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  
approximately 1,000  
direct connections  
in more than 85  
countries and  
foreign territories.

**MONTHLY TOTAL ORDER VOLUME VS. AVERAGE ROUND-TRIP TIMES (RTT)\***  
(JAN 2005 – DEC 2009)



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 5- to 7-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 approximately 1,000 direct connections in more than 85 countries and foreign territories around the world, as well as through telecommunications hubs – located in London, Amsterdam, Dublin, Milan, Paris, Singapore, São Paulo and Seoul. 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 that offers a 40 or 100 Mbps direct connectivity solution to the fiber network via a CME Group approved facility. For customers all over the world, CME LNet delivers low latency access – 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.



CHOICE

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

We offer a fully global product suite of 49 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. You also have the ability to privately negotiate and execute EFP and block trade transactions<sup>†</sup> with the safety and security of CME Clearing.

## Listed product offerings:

### G10

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

### E-micros

E-micro AUD/USD
E-micro EUR/USD
E-micro GBP/USD
E-micro USD/CAD
E-micro USD/CHF
E-micro USD/JPY

### Emerging Markets

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

\* Options products available.

CHOICE

## WHEN IT COMES TO FX OPTIONS, CME GROUP IS YOUR MARKETPLACE OF CHOICE.

We offer you three unique trading methods for our highly liquid and regulated FX options marketplace:

### ON CME GLOBEX

#### Speed, transparency, access and liquidity

With FX options on CME Globex, you have access to the speed, liquidity, flexibility and transparency you need to get the highest possible return. That's why 60 percent of our FX options average daily volume is traded electronically. Only CME Globex offers:

- 32 electronic FX options contracts on a single platform accessible around the globe 23 hours a day
- Major or emerging-market currencies
- Premium- and volatility-based quoting
- American- and European-style expiration
- Free real-time quotes for FX options

### ON THE FLOOR

#### Access voice trading benefits

From the pits that created the modern derivatives markets, trading FX options on the floor can offer any trader:

- Quick set up and nearly immediate access to our liquidity (no connection infrastructure or front end systems required)
- Use services of a voice broker to maximize the flexibility in execution
- Facilitate price discovery through interaction with experienced floor traders

### BLOCK TRADES

#### Private negotiation with security of CME Clearing

Designed to provide traders the benefits of CME Clearing, while maintaining existing bilateral pricing relationships.

- Retain control and convenience of privately negotiating a trade with a selected eligible counterparty
- Access the risk management and counterparty credit guarantees of CME Clearing
- Recently reduced transaction fees

<sup>†</sup> Block trade minimum quantities apply and are not applicable for E-mini or E-micro contracts. Visit [www.cmegroup.com/fx](http://www.cmegroup.com/fx) for additional information.



# ANONYMITY & TRANSPARENCY

# OPEN **ACCESS** AND DIRECT PARTICIPATION

We offer 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 our book of orders and prices, and enter your own orders.

## CME Group 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:

- Top Summary:** Total eFX Volume: 803,821; Total eFX Notional: 81,788M.
- Forward Points Table:**

Currency	Bid	Offer
Euro FX	-18.00	-17.50
J Yen	-32.00	-32.00
Swiss Franc	-0.00	-8.00
Starbuck	9.00	-10.00
£ Pound	-42.00	-41.00
Aussied	-42.00	-42.00
- Forward Points (Interest Rate Differentials):**

Forward Points =	18.00	17.50
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- Top Five Bids and Offers:**

Order ID	Price	Quantity
9436	106.29	1
9435	106.30	1
9434	106.30	1
9433	106.30	1
9432	106.30	1
- Best Bid in Spot Equivalent Terms:** 19624 @ 1.9675
- Best Offer in Spot Equivalent Terms:** 19624 @ 1.9675

## 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
- Pricing for American- and European-style options and volatility-quoted options on futures in AUD/USD, CAD/USD, CHF/USD, EUR/USD, GBP/USD and JPY/USD

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 mitigates counterparty credit risk, meaning that for every trade completed on our exchange, we guarantee the financial soundness of both parties. 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

- **Your counterparty credit risk is substantially mitigated** as CME Clearing becomes the buyer to every seller and the seller to every buyer. We guarantee the financial soundness of both parties, whether you trade on-exchange or trade off-exchange and clear through CME ClearPort, a set of flexible clearing services open to OTC market participants that substantially mitigates counterparty risk and provides capital efficiencies across a wide range of asset classes. FX through CME ClearPort, a flexible clearing service for the global OTC FX market, will be available soon.
- **Accumulation of debts/losses is limited** and transparency is achieved as CME Clearing marks your positions to market twice daily.
- **Approximately \$8 billion in financial safeguards** stand ready to mitigate systemic risk.\* In over a century of excellence, CME Clearing has never had a default.
- **Customer segregation protections** under which your funds are not subject to creditor claims against your own clearing firm should it become financially unstable or insolvent.
- **Documentation is not required**, so your risk is mitigated more efficiently.
- **Multilateral netting helps you gain capital efficiencies** and decreases your credit exposure.
- **Your choice of execution is preserved** – and made safer. You have the flexibility to manage your risk on-exchange or with cleared-only services for OTC products, all with the performance guarantee of CME Clearing.

More than 100 years  
without a default.

\* Approximately \$8B in financial safeguards as of September 30, 2009.

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

To get started trading our 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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