

FX

MONTHLY REVIEW

October 2016

Performance Overview of CME FX Futures and Options:

- Highlights
- Trends
- Resources



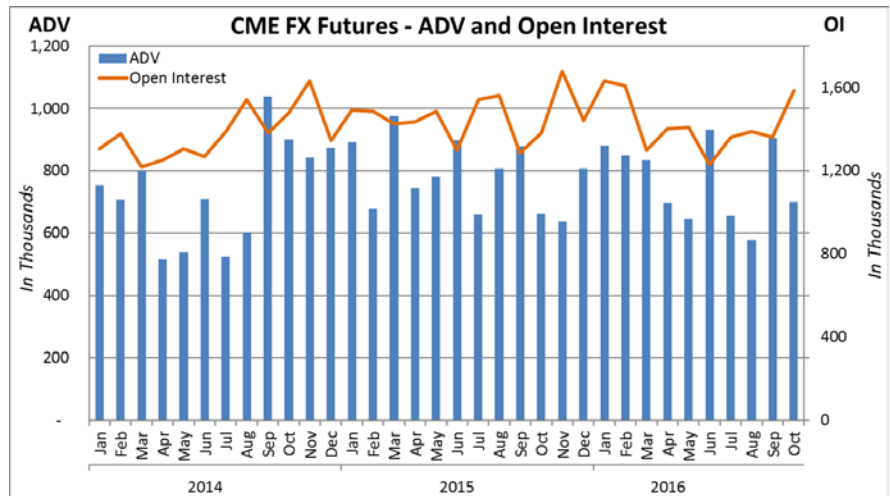
Awarded "Best FX Platform
for Hedge Funds" at the
2016 Profit & Loss
Readers' Choice Awards



PRODUCT OVERVIEW - FUTURES

FX FUTURES

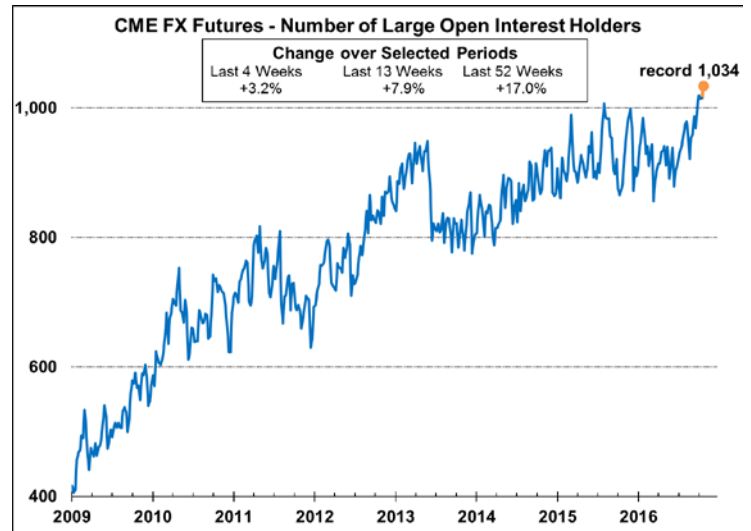
- October 2016 FX Futures ADV of 699,116 (\$73 billion notional)
- FX Futures ADV is up 6% compared to October 2015
- Emerging market futures ADV is up 39% vs. October 2016 and up 27% YTD YoY



RECORD LARGE OPEN INTEREST HOLDERS

CME FX Futures achieved a new record in the number of Large Open Interest Holders on October 25

- The CFTC defines Large Open Interest Holders as having at least 400 open contracts in Major Foreign Currency futures and at least 100 open contracts in Other Foreign Currency futures

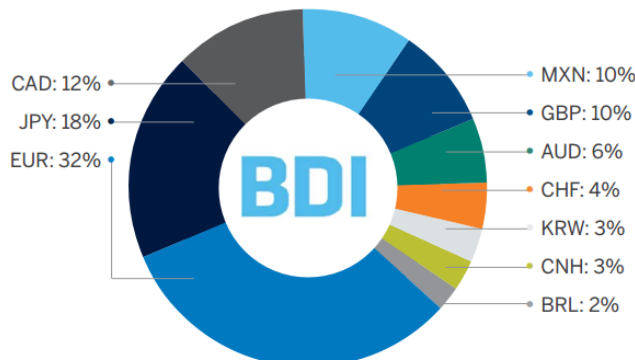


CME BLOOMBERG DOLLAR SPOT INDEX (BDI) FUTURES

BDI futures reached multiple single day volume and open interest records in October and the trend has continued into November.

- BDI liquidity available during ETH-Europe and RTH sessions (12am – 4pm CST) with pricing at the minimum tick (0.1)
- BDI includes six developed (EUR, JPY, CAD, GBP, AUD, CHF) and four emerging market currencies (MXN, KRW, CNH, BRL), providing wide exposure
- The index is rebalanced annually to reflect annual trade flows against the US dollar
- Benefit from margin offsets across CME FX futures
- Connect to the platform of your choice

- Globex:** BDI
- Bloomberg:** BDIA <Index>
- Reuters:** <0#1BDIX:>
- TT:** BDI
- Fidessa:** BDI
- ION:** BDI

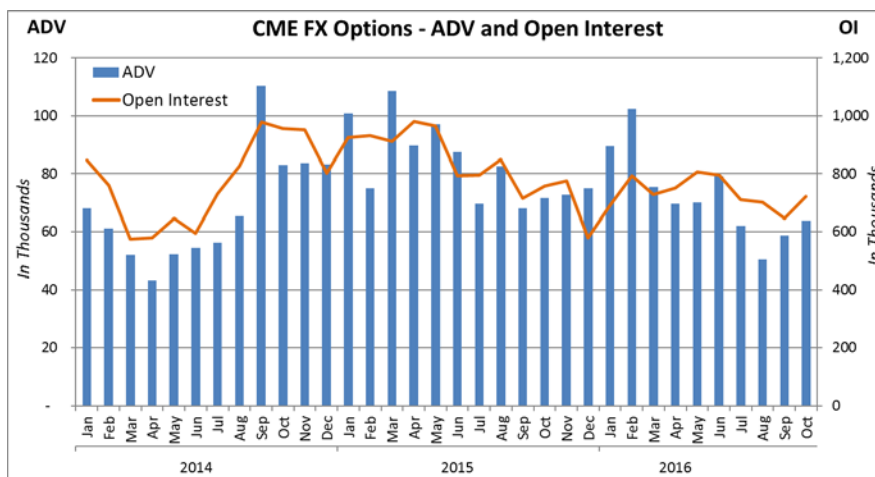


Index Weights		
	BBDXY	DXY
EUR	31.75%	57.60%
JPY	18.45%	13.60%
CAD	11.48%	9.10%
MXN	9.87%	0.00%
GBP	9.47%	11.90%
AUD	6.10%	0.00%
CHF	4.37%	3.60%
KRW	3.43%	0.00%
CNH	3.00%	0.00%
BRL	2.08%	0.00%

PRODUCT OVERVIEW - OPTIONS

FX OPTIONS

- October 2016 FX Options ADV of 63,693 (\$7 billion notional)
- FX Options ADV grew 9% from September
- British pound options grew 61% MoM, up 106% vs. October 2015
- Mexican Peso options ADV and OI reached new record highs as the US presidential race has tightened



VOLATILITY QUOTED OPTIONS LAUNCH ON NOVEMBER 14

Volatility Quoted Options (VQO) on the G6 currency pairs is live in the New Release environment and will be available for trading on November 14

- | | |
|-----------|-----------|
| • AUD/USD | • EUR/USD |
| • GBP/USD | • JPY/USD |
| • CAD/USD | • CHF/USD |

- VQO allows submission of orders in terms of volatility instead of price
- Trading VQO includes an attached delta hedge in the corresponding underlying futures contract (similar to a covered option)
- Benefits of VQO: lower execution risk/larger average trade size (minimum trade quantity of 20 contracts)

Watch the video to learn more about VQO:

- What are Volatility-Quoted Options
- Benefits of trading VQO
- How Triangulation works



TRIANGULATION FUNCTIONALITY

Innovative Triangulation functionality links the premium-quoted options book with the volatility-quoted options book and will go live in Q1 2017

- Triangulation links the Volatility-Quoted Options, Premium-Quoted Options, and futures books via implied calculations to find match opportunities between the three books
- It will launch initially in AUD/USD, with the other pairs offering triangulation 8-10 weeks thereafter.
- Matching from triangulation will occur in minimum trade quantity of 20 option contracts when there is a full hedge quantity available in the corresponding futures.