

FX

MONTHLY REVIEW

FEBRUARY 2016



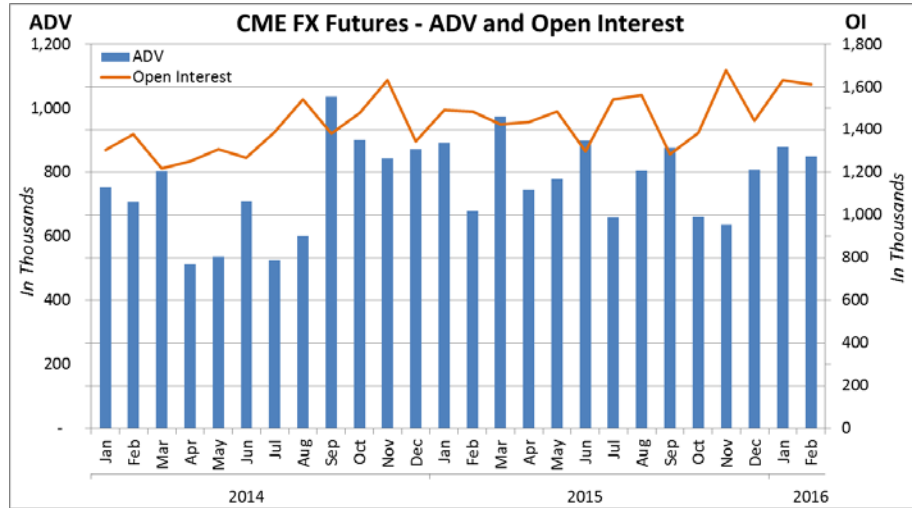
Performance Overview of
CME FX Futures and Options:

- Highlights
- Trends
- Resources

PRODUCT OVERVIEW - FUTURES

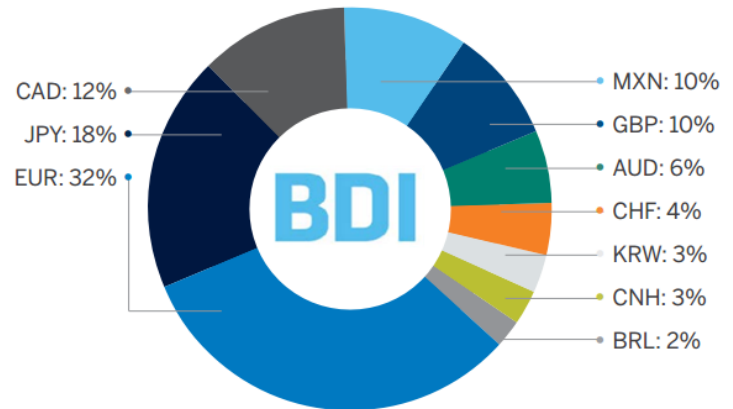
FX FUTURES

- February 2016 FX Futures ADV of 849,353 (\$83.3bn notional)
 - February 2016 ADV is +25% vs. February 2015
- JPY futures continued to be very active in February, driven by safe haven status and probable short covering of funding trades
 - Japanese Yen futures ADV of 203,839 is +48% vs. February 2016
- FX Futures Open Interest reached 1,613,063 on 2/29/2016, the highest ever recorded during the month of February



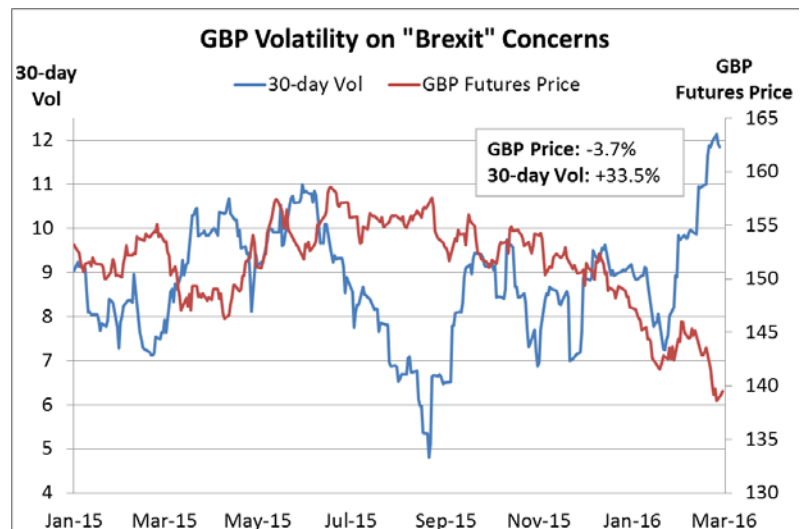
CME BLOOMBERG DOLLAR SPOT INDEX FUTURES (BDI) LAUNCHING APRIL 4, 2016

- Capture real trade flows with emerging and developed markets
 - Track the dollar against the 10 leading currencies, both in terms of liquidity and global trade representation, including a growing emerging market component
- Keep pace with the evolving global market
 - Choose the only cash-settled, dynamic, and diversified weighted index and keep pace with regulation, uncertainty, and change
- Reduce costs and increase capital efficiency
 - Discover the benefits of exchange-traded futures to reduce capital and manage FX exposure with the flexibility you need from our larger contract size and lower block requirements
- Trade confidently
 - Bloomberg's world-class data, technology, and broad distribution create an index that provides the U.S. dollar index solution you need



CURRENCY PRICE ACTION

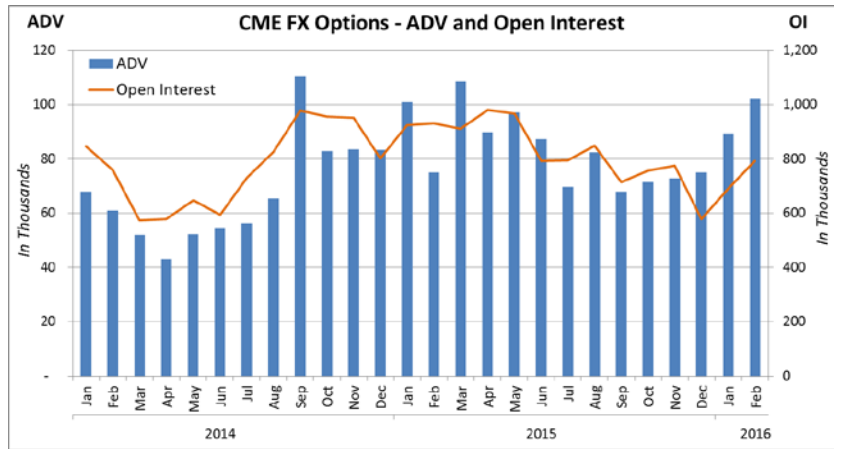
- "Brexit" concerns deepened in February after the Mayor of London announced his support to vote for Britain to leave the EU in the referendum on June 23
 - Pound weakened by 3.65% while volatility jumped by 33.5% during February
 - EUR/GBP futures reached record Open Interest of 35,679 on 2/3/2016
- The central bank of Mexico unexpectedly announced a 50bps rate increase leading to a surge in futures trading and record ADV and OI in MXN options



PRODUCT OVERVIEW - OPTIONS

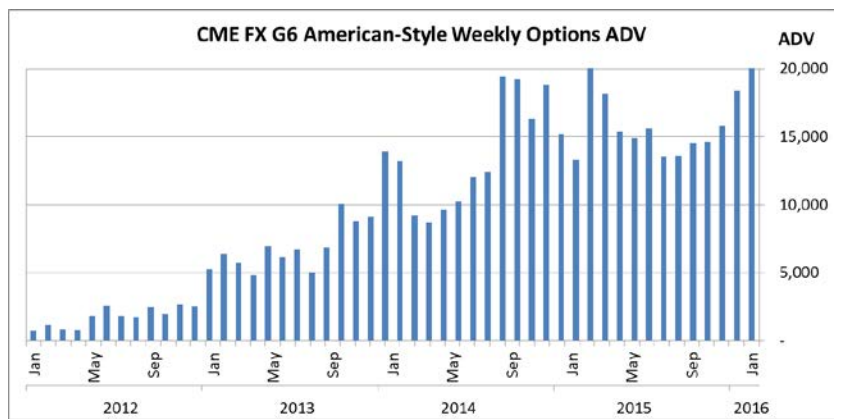
FX OPTIONS

- February 2016 FX Options ADV of 102,344 (\$11.9bn notional)
 - FX Options ADV growth rates:
 - +14% vs. January 2016
 - +37% vs. February 2015



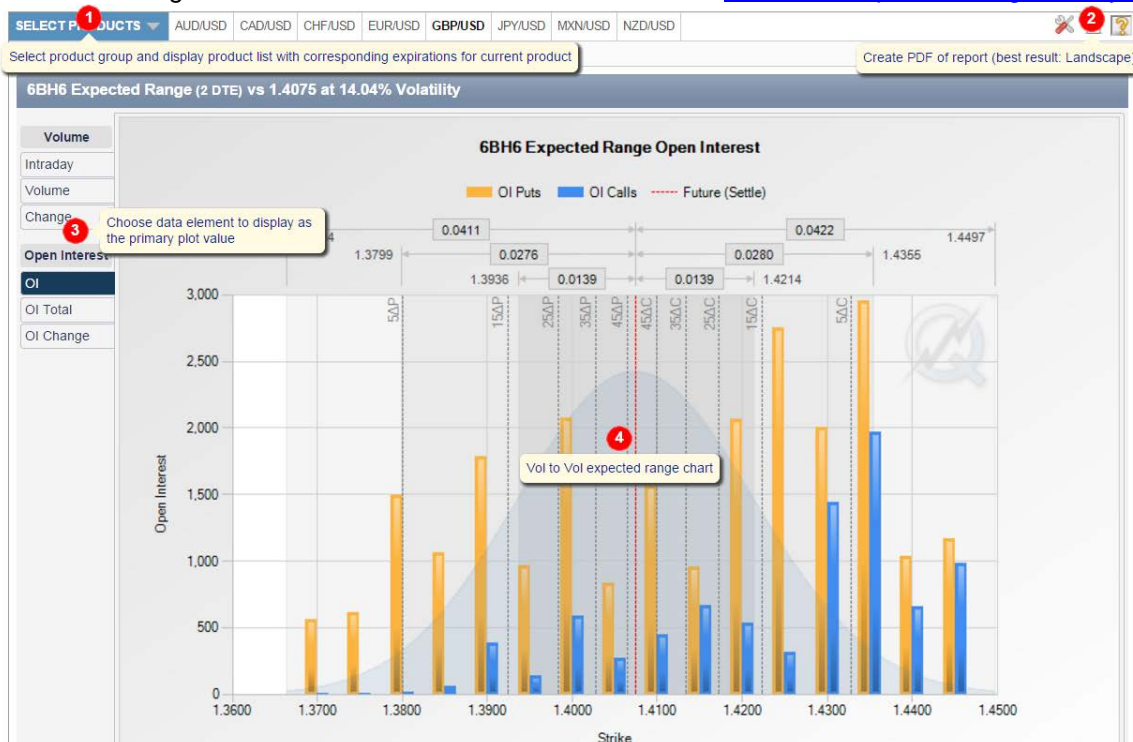
FX WEEKLY OPTIONS

- Trading activity in the G6 American-Style Weekly Options continues to increase with MoM growth for six consecutive months
 - Weekly Options reached record ADV of 20,428 in February
 - GBP weekly options +70% MoM
 - JPY weekly options +32% MoM
- Use the Euro FX Week-2 option contract to pinpoint event risk management, specifically around the ECB monetary policy announcement on March 10



NEW OPTIONS TOOL

- Use the new Vol2Vol Expected Range options tool to visually interpret volume and open interest levels at various strikes. Choose one of eight major option pairs and a monthly or weekly expiration to see the precise data that you need. This new tool goes live in March and can be accessed at the [QuikStrike Option Pricing & Analysis](#) page.

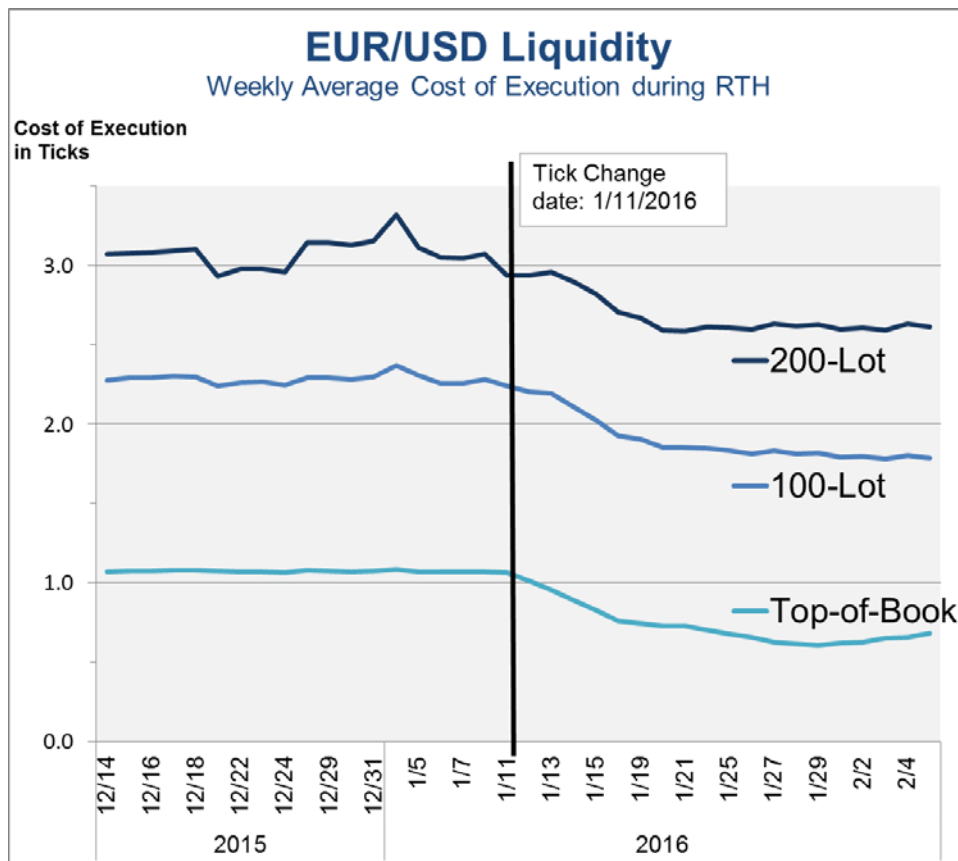


Reduced Minimum Tick Increment in EUR/USD

Reduced minimum tick increments leads to tighter liquidity and lower execution costs for buy-side participants

EUR/USD HIGHLIGHTS

- Minimum tick increment in the standard size EUR/USD contract changed from \$12.50 per tick to \$6.25 per tick on January 11, 2016
 - Cost reduction of 36% for orders executed at the Top-of-Book
 - **Save \$89.45** on average execution size of 18 contracts (~\$2.5m notional)
 - 100-lot execution (~\$13.7m notional) is now 19% cheaper - **saves \$512**
 - Average bid/ask spread of 1.799 ticks post cut
 - 200-lot execution (~\$27.4m notional) is now 11% cheaper - **saves \$844**
 - Average bid/ask spread of 2.609 ticks post cut



For more information, contact fxteam@cmegroup.com.