

TriOptima Sets a New Record for FX Forwards Compression with \$9.1 Trillion Gross Notional Value Compressed in 2019

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LONDON, Jan. 14, 2020 /PRNewswire/ -- TriOptima, the leading multilateral compression provider that lowers costs and mitigates risk in OTC markets, today announced that counterparties using the triReduce CLS FX compression service have eliminated \$9.1 trillion of gross notional value from their FX forward portfolios in 2019. A new record for the service, this equates to an annual increase of 71%.

In Q4 alone, the service compressed \$4.9 trillion of gross notional value, 153% above the previous quarterly high achieved in Q3 2018. The new record was driven by increased participation from the prime broker and executing broker community, larger trade populations being submitted for compression and increased year-end activity as market participants manage their risk exposure and capital charges.

"As FX forwards volumes continue to grow, and in response to capital rule changes and increased regulatory interest in FX compression, clients have a greater need for flexible risk mitigation services to achieve capital and operational efficiencies," said Guy Rowcliffe, Global Head of Optimization Services and TriOptima, CME Group. "We are pleased with this new milestone for FX forwards compression and look forward to extending our service offering in 2020."

"The increase in notional reductions seen in 2019 demonstrates the value triReduce CLS FX continues to deliver for our clients," said Alan Marquard, Chief Business Development Officer, CLS. "It enables them to further improve their capital efficiencies and significantly reduce risk, while contributing to the smooth and efficient running of the FX market."

"Citi remains committed to working closely with its clients to drive capital efficiencies by maximizing notional compression opportunities across the industry," said Chris Perkins, Global Head of Foreign Exchange Prime Brokerage and OTC Clearing, Citi. "Our business model greatly benefits from the notional we have eliminated through the triReduce CLS FX service."

The triReduce CLS FX service provides capital optimization and risk mitigation for the global FX community, combining TriOptima's triReduce multilateral compression service with CLS's infrastructure and market connectivity. During 2019, work continued with the FX derivatives community and infrastructure providers to further enhance and extend the service, with more than 20 banks now participating. Clients of the service have benefited from enhanced capital efficiency and leverage ratios, reduced operational risk and cost, and the ability to proactively manage credit risk without fundamentally changing their market positions.

TriOptima is a part of CME Group. For more information on TriOptima offerings, visit: <https://www.trioptima.com/>

TriOptima is a leading multilateral compression provider that lowers costs and mitigates risk in OTC derivatives markets and is a part of CME Group. As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on interest rates, equity indexes, foreign exchange, energy, agricultural products and metals. The company offers futures and options on futures trading through the CME Globex® platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.

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Media Contacts: Bryony Bushnell, +44 207 818 9689, bryony.bushnell@nex.com; Investor Contact: John Peschier, 312.930.8491, CME-G