

CME Group Statement on U.S. Treasury Secretary Mnuchin Proposal to Shorten Trading Hours

March 17, 2020

CHICAGO, March 17, 2020 /PRNewswire/ -- In response to U.S. Treasury Secretary Mnuchin's comments today regarding the possibility of shortening financial market hours to address high volatility due to the coronavirus outbreak, CME Group Chairman and CEO Terry Duffy issued the following statement:

"We were quite surprised to hear Secretary Mnuchin say he is coordinating with the New York Stock Exchange on possible shortened trading hours, even though he has not reached out to all cash equity and futures markets including CME Group and Nasdaq. Shorter hours make no sense. Financial markets are critical to managing risk and ensuring the resilience of the U.S. and global economies. Therefore, they must remain open, especially during this unprecedented crisis when news, information and events are changing at such a rapid pace. Markets are global, so shortening U.S. hours would not decrease volatility. Rather, it could actually increase as investors turn to other venues outside the U.S. when developments occur."

CME Group has already suggested other steps that could be considered in coordination with all markets including:

- Circuit breakers in U.S. equity markets could be adjusted to include only 7% and 13% downside limits, rather than the -7%, -13% and -20% levels we have across all equity markets now. This would help ensure that markets do not fall as far and as fast as they can today, by halting trading sooner amid an escalating decline.
- Exchange-traded funds (ETFs) must be required to follow the same guidelines as other markets and abide by these same circuit breaker rules. Many ETFs are highly illiquid and are able to trade without being subject to the same standards as equity futures and cash markets. Bringing ETFs in line with all other markets will reduce price gaps and soften market spikes at the beginning of each trading day.

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, Laurie Bischel, 312.648.8698 or Anita Liskey, 312.466.4613, news@cmegroup.com, www.cmegroup.com/media-room.html; or Investors, John Peschier, 312.930.8491