



July 21, 2016

## **CME Group Announces Launch of S&P 500 Total Return Index Futures and S&P 500 Carry Adjusted Total Return Index Futures**

CHICAGO, July 21, 2016 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced the launch of S&P 500 Total Return Index Futures (S&P Total Return) and S&P 500 Carry Adjusted Total Return Index Futures (S&P Carry Adjusted Total Return) futures. These new products are designed to help market participants mitigate costs and find efficiencies related to new uncleared swap margin rules, which will go into effect on Sept. 1, 2016. The products will be available for trade August 29, pending regulatory review.

"These innovative products are intended to mimic the economics of a total return swap in futures form, allowing swap dealers and their end customers to avoid higher costs as a result of new swap margin rules," said Tim McCourt, CME Group Global Head of Equity Products. "This is indicative of CME Group's ongoing commitment to meet the changing needs of our customers in an evolving global marketplace."

Under the new rules, any uncleared swap product must now post initial margin to a third-party custodian for bilateral trade. Because all equity swaps must post 15 percent prescriptive initial margin levels, and swap dealers were previously using portfolio credit, the effect of the new rules will be a substantial increase in cost to dealers. To avoid this increase, dealers can use another cleared product - a future. CME Group's new S&P Carry Adjusted Total Return and S&P Total Return futures contracts are designed for this purpose.

S&P Total Return futures will function as a traditional index futures contract, with the underlying index being the SPTR index, the most common underlying equity index swap. S&P Carry Adjusted Total Return futures will have the SPCATR index as the underlying, which has quarterly reset functionality built into the index calculation that mimics the reset functionality of an equity swap.

S&P Carry Adjusted Total Return and S&P Total Return futures contracts are listed with and subject to the rules and regulations of the Chicago Mercantile Exchange. Both products will trade via Basis Trade at Index Close continuously throughout the day, and will adhere to a quarterly expiry cycle. For more information, please visit [cmegroup.com/totalreturn](http://cmegroup.com/totalreturn).

As the world's leading 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 products](#) and [metals](#). Around the world, CME Group brings buyers and sellers together through its [CME Globex](#)® electronic trading platform and its exchanges based in Chicago, New York and London. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#) and [CME Clearing Europe](#), which offer clearing and settlement services across asset classes for exchange-traded and over-the-counter derivatives. CME Group's products and services ensure that businesses around the world can effectively manage risk and achieve growth.

CME Group is a trademark of CME Group Inc. The Globe Logo, CME, Globex and Chicago Mercantile Exchange are trademarks of Chicago Mercantile Exchange Inc. CBOT and the Chicago Board of Trade are trademarks of the Board of Trade of the City of Chicago, Inc. NYMEX, New York Mercantile Exchange and ClearPort are registered trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. All other trademarks are the property of their respective owners. Further information about CME Group (NASDAQ: CME) and its products can be found at [www.cmegroup.com](http://www.cmegroup.com).

CME-G

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/cme-group-announces-launch-of-sp-500-total-return-index-futures-and-sp-500-carry-adjusted-total-return-index-futures-300299479.html>

SOURCE CME Group

News Provided by Acquire Media