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CME Group's First Multi-Lateral Equity Options Compression Cycle Successfully Reduces Nearly 590,000 Contract Sides

CHICAGO, Nov. 1, 2018 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced four firms participated in its first-ever multi-lateral compression cycle for equity options on futures, which successfully reduced 587,000 contract sides and compressed portfolios submitted for this cycle by 22 percent.

Equity options compression allows market participants the ability to reduce the amount of open positions held and corresponding capital charges of a given portfolio without materially changing the risk exposure. This simplifies portfolio management for customers while freeing up capital.

"In today's regulatory environment, our customers and participants across the broader marketplace are focused on increasing capital efficiencies," said Tim McCourt, CME Group Global Head of Equity Products and Alternative Investments. "Multi-lateral compression services are designed to increase liquidity and market quality across the equity options complex, while minimizing the impact of capital requirements faced by our clients and clearing members."

"ABN AMRO Clearing Chicago was pleased to be a part of a successful launch and an initial participant in CME Group's innovative listed option compression facility," said Tim Brennan, Managing Director and Chief Commercial Officer for [ABN AMRO Clearing Chicago](#). "Innovative tools such as the compression facility help clearing members and market participants manage capital ratios in a challenging environment. This is an example of how clearing firms, market participants and CME Group can partner together to come up with productive, viable solutions."

Equity options compression is the latest compression solution from CME Group designed to deliver capital efficiencies to our customers. Year to date, Equity Index options are averaging 810,000 contracts per day, up 22 percent from the same period last year. Going forward, CME Group plans to run equity compression cycles on a monthly basis.

Equity options compression services are currently available for S&P 500 and E-mini S&P 500 options contracts traded on CME. Additional information is available [online](#).

As the world's leading and most diverse derivatives marketplace, CME Group (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. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#), which offers clearing and settlement services across asset classes for exchange-traded and over-the-counter derivatives. CME Group products and services ensure that businesses around the world can effectively manage risk and achieve growth.

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