

March 22, 2016

CME Group and Thomson Reuters to Enhance LBMA Silver Price Benchmark

LONDON, March 22, 2016 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, in its capacity as joint administrator and calculation agent for the LBMA Silver Price, and Thomson Reuters, the world's leading source of intelligent information for businesses and professionals, today announced the implementation of new measures to further enhance and develop the LBMA Silver Price Benchmark, based on ongoing consultation with participants and approval of the independent Oversight Committee.

These new measures follow the introduction of a [circuit breaker](#) in January 2016 aimed at further developing the LBMA Silver Price Benchmark and protecting its integrity. This allows for the auction to be stopped, reset and restarted to address significant price movements during the auction, which are inconsistent with the underlying market.

The new measures are:

- 1 **Introducing a blind auction:** The aggregate bid and offer volumes will no longer be disclosed during the auction round. At the end of each auction round, the aggregate buy and sell volumes will be publicly available.
- 1 **Sharing the imbalance in the auction:** The Silver price is established when the auction is determined as balanced, that is to say, at the end of a round, the total of buy and sell orders are within a predefined threshold. When the auction is complete, the amount required to balance the buy and sell orders will be shared equally among all registered participants of the auction.
- 1 **Increasing the predefined threshold:** In exceptional circumstances, the calculation agent can increase the imbalance threshold during an auction, within an approved range, to establish the LBMA Silver Price and settle the auction.

The measures, which have been approved by the independent Oversight Committee, will be implemented on 16 May 2016 and become part of the Participant Rule Book and Platform Calculation Methodology. Draft documentation is available for consultation on the [CME Group](#) and [Thomson Reuters](#) websites.

Ruth Crowell, LBMA Chief Executive, commented: "I'm delighted CME Group and Thomson Reuters have continued to put in further enhancements in the electronic auction. I hope this will further encourage other participants to take part in the LBMA Silver Price."

Gavin Lee, Head of CME Benchmark Services, commented: "Since the new benchmark was launched, CME Group, alongside Thomson Reuters and the Oversight Committee, has sought to introduce measures that will enhance and develop it to the benefit of the Silver market. These measures ensure that the LBMA Silver Price remains representative of the underlying market. And, in consultation with Silver market participants, we are always looking for new ways to develop this benchmark further."

Tobias Sproehle, Head of Benchmark Services, Thomson Reuters said: "These changes together with a comprehensive consultation with the broader silver community - producers, intermediaries and consumers - are a further demonstration of Thomson Reuters and CME Group's commitment to providing innovative, market leading benchmarks for the Silver market."

The LBMA Silver Price is London-based and offers a fully IOSCO-compliant solution to the London bullion marketplace. CME Group provides the electronic auction platform on which the price is calculated, while the LBMA accredits market participants.

CME Group

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 commodities](#), [metals](#), [weather](#) and [real estate](#). CME Group brings buyers and sellers together through its [CME Globex](#)[®] electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates [CME Clearing](#), one of the world's leading central counterparty clearing providers, which offers clearing and settlement services across asset classes for exchange-traded contracts and over-the-counter derivatives transactions. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk.

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