



CME Group Statement Regarding White House Proposal to Increase Oversight of Energy Markets

CHICAGO, April 17, 2012 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives exchange, today released the following statement regarding the Administration's proposal to increase oversight of energy markets:

"CME Group agrees that manipulation is detrimental to markets and should be vigorously policed, as is currently being done. However, we caution against mistakenly categorizing speculation as a form of manipulation. Market makers and speculators, serve an important function in the market — allowing energy users and producers to manage oil price risk and providing the necessary liquidity to ensure effective price discovery and more efficient transfer of price risk.

"The Administration's proposal to use margin requirements to control cash prices is misplaced. The Administration must recognize that exchanges, as the operators of regulated energy markets, are in the best position to monitor volatility and manage margin requirements. Margins are based on volatility and cannot be used to manage cash prices. Rather, they serve as important tools for CME Group and other exchanges to use in managing the financial risks of the clearing houses we operate, which are a key component of the risk management policies being put into effect under Dodd Frank. Additionally, taking away from exchanges the ability to manage margins would make the markets less efficient, less tied to fundamentals and would create the potential to push the hedgers out of the market, which would make oil more expensive for all consumers."

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 for exchange-traded contracts, as well as for over-the-counter derivatives transactions through [CME ClearPort®](#). These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

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