

## CME Group Announces Launch of New Implied Volatility Indexes

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### First CVOL offerings to include 10-Year Treasury Note and G5 FX currency pair indexes

CHICAGO, Nov. 17, 2020 /PRNewswire/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, today announced it began daily publication of a suite of new implied volatility benchmark indexes based on its innovative, proprietary CME Group Volatility Index (CVOL™) methodology. Beginning with eight implied volatility indexes on its 10-Year Treasury Note futures and G5 FX currency pair futures, the CVOL family of indexes will be expanded to include benchmarks across all major asset classes in the first half of 2021.

"Traders already rely on CME Group's deep and liquid options markets to monitor, hedge against, or express views on volatility across all major asset classes ahead of market-moving events," said Derek Sammann, CME Group Senior Managing Director and Global Head of Commodities and Options Products. "Our new suite of CME Group Volatility Indexes now make implied volatility information directly available to clients. Going forward, by applying the CVOL methodology to all of our futures benchmarks across asset classes, we will be able to deliver a precise and consistent measure of volatility to market participants, ranging from Fixed Income and FX to Energy, Metals and Agricultural markets."

The CVOL indexes measure the 30-day forward-looking implied volatility of an underlying futures contract based on the information contained in the prices of CME Group's robust options on futures markets. The CVOL methodology incorporates every single strike price on the implied volatility curve, not just at-the-money options prices, to calculate a single volatility value called simple variance, which will allow clients to easily track and compare this metric across all available CVOL indexes.

Initially, the daily indexes will be available with two years of historical data on the seven individual treasury and FX volatility indexes, as well as an aggregate G5 FX currency index:

- 10-Year Treasury CVOL Index (price and yield volatility indexes)
- G5 FX CVOL Index
- EUR/USD CVOL Index
- GBP/USD CVOL Index
- JPY/USD CVOL Index
- AUD/USD CVOL Index
- CAD/USD CVOL Index

In addition to the index volatility value, clients can access three additional indicators for each of the CVOL benchmark indexes to better understand market sentiment:

- Up Variance – index on calls only
- Down Variance – index on puts only
- Skew – difference between Up Variance and Down Variance

CVOL is a family of benchmarks, designed on the basis of industry best practices and the IOSCO Principles for Financial Benchmarks. CME Group Benchmark Administration Limited (CBA) is the benchmark administrator with Chicago Mercantile Exchange Inc. (CME Inc.) providing Calculation Agent services.

CME Group Volatility Indexes will be available via our CVOL Index Visualizer tool, powered by QuikStrike and through CME Datamine, with calculations made daily, updated at the end of every trading session. For more information on CVOL indexes and methodology, please visit [www.cmegroup.com/cvol](http://www.cmegroup.com/cvol).

As a leading and diverse derivatives market operator, CME Group is the parent of four U.S.-based designated contract markets ("DCMs"): Chicago Mercantile Exchange Inc. ("CME"), Board of Trade of the City of Chicago, Inc. ("CBOT"), New York Mercantile Exchange, Inc. ("NYMEX"), and the Commodity Exchange, Inc. ("COMEX") (collectively, the "CME Group Exchanges"). These exchanges offer a wide range of products available across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, metals and agricultural commodities. CME Group offers futures trading through the CME Globex® electronic trading platform ("Globex"), fixed income trading via BrokerTec, foreign exchange trading on the EBS platform, and central counterparty clearing services through CME Clearing, a division of CME. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization services through TriOptima and trade processing and reconciliation services through Traiana and RESET. CBA capitalizes on CME Group's wealth of electronic transaction-based data in the calculation of its indices and benchmarks.

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