

CME Group Begins Clearing OTC Interest Rate Swaps

New Clearing Solution Provides Open Access, Operational Flexibility and Capital Efficiencies

CHICAGO, Oct 18, 2010 /PRNewswire via COMTEX News Network/ -- [CME Group](#), the world's leading and most diverse derivatives marketplace, announced today that it has begun clearing over-the-counter (OTC) interest rate swaps through [CME Clearing](#).

In conjunction with a group of premier swap dealers, clearing firms, and buy-side market participants, CME Group has developed a new clearing solution for OTC interest rate swaps. The buy-side participants are BlackRock, Citadel, Fannie Mae, Freddie Mac, and PIMCO. The sell-side participants are BofA Merrill Lynch, Barclays Capital, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, J.P. Morgan, Morgan Stanley, Nomura and UBS.

"CME Group's new interest rate swap clearing solution will provide our global customers with the best of both worlds by preserving key components of OTC market trade execution while adding the security of futures-style central counterparty clearing," said Laurent Paulhac, CME Group's Managing Director of OTC Products and Services. "By working closely with both the buy- and sell-side, we were able to gain significant input into the needs of the overall marketplace, both in terms of functionality and mitigating systemic risk in creating this cleared-only solution for interest rates swaps."

CME Group's cleared interest rate swaps will be an open access solution that provides market participants with the flexibility of the OTC market without having to change their execution processes. The new service will build on the strength of CME Group's market leading interest rate products business. In addition, it will maintain affirmation platforms and product economics of bilateral OTC contracts; provide the risk management and legal safeguards of CME Clearing to protect customer funds; and give operational flexibility of an open access solution that integrates into existing OTC infrastructure and extends across asset classes; with an anticipated goal of offering capital efficiencies via cross margining of OTC products with benchmark futures.

For additional information, visit: www.cmegroup.com/irs.

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(R) electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates CME Clearing, one of the largest central counterparty clearing services in the world, which provides clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through CME ClearPort(R). 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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