

# Welcome to the Equity Fall Reception



Scan QR code to fill out a short poll.

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Neither futures trading nor swaps trading are suitable for all investors, and each involves the risk of loss. Swaps trading should only be undertaken by investors who are Eligible Contract Participants (ECPs) within the meaning of Section 1a(18) of the Commodity Exchange Act. Futures and swaps each are leveraged investments and, because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for either a futures or swaps position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles and only a portion of those funds should be devoted to any one trade because traders cannot expect to profit on every trade.

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# What's New, What's Coming?

# Equities 2024 Product Roadmap

Product	Timing	Details
Options on S&P 500 Annual Dividend Options	01/29/2024	Launched S&P 500 Dividend Options to provide more opportunities to manage dividend risk and build upon the robust Dividend futures suite at CME Group.
E-Mini S&P 500 Equal Weight Futures	02/26/2024	Launched S&P 500 Equal Weight Futures to provide more ways to diversify equity trading strategies.
Adjusted Interest Rate Total Return Futures: SOFR	08/26/2024	For the accrued financing component of AIR TRF, CME Group launched ASPR to provide a product listed with an accrued daily financing based upon the benchmark reference rate SOFR, in addition to the EFR
Options on BCOM Futures	09/23/2024	Launched Options on BCOM Sectors to provide participants a new way to access commodities and commodity market movements.
BCOM Sector Futures	Q4-2024	Similar to the relationship between S&P 500 futures and Select Sector futures, CME Group plans to provide participants the ability to gain exposure to specific sub-sets of the BCOM Index.
Select Sector Options	Q4-2024	CME Group plans to launch Select Sector Options to provide more opportunities for participants to access Select Sectors as well as build upon the liquidity of Sector Futures.
Adjusted Interest Rate Total Return Futures: Expansion	Q4-2024	Building upon the AIR TRF suite, CME Group plans to launch Monthly listings on AIR TRF Futures

# Equities 2025 Possible Product Roadmap – feedback requested

Product	Timing	Details
Adjusted Interest Rate Total Return Futures: Globex Calendar Spreads	TBD	Building upon the AIR TRF suite, CME Group plans to launch Globex Calendar spread listings on AIR TRF Futures
Options on Adjusted Interest Rate Total Return Futures	TBD	Plans to launch Options on AIR TRF Futures
Options on S&P 500 ESG Futures	TBD	Plans to launch options S&P 500 E-mini ESG Futures
Options on S&P 500 Equal Weight	TBD	Plans to launch options S&P 500 Equal Weight Futures
Adjusted Interest Rate Total Return Futures: Additional Indices e.g. Sectors	TBD	Continuing to build upon the AIR TRF suite, CME Group plans to launch additional AIR TRF Futures on other indices such as the Select Sector Indices
Single Stock futures	TBD	CME Group plans to launch Single Stock Futures on major stocks of the S&P 500 index
Derived Block Expansion	TBD	Expansion of Derived Block capabilities

# Let us know your thoughts!

Would you and your clients prefer AIR TRF monthly contracts listed for the first 3-4 months or over the whole 12 months

3-4 Months

12 months



Would you or your clients be interested in any of these Futures products?

Adjusted Interest Rate Total Return Futures: Globex Calendar Spreads

Adjusted Interest Rate Total Return Futures: Additional Indices e.g. Sectors

Single Stock futures

Derived Block Expansion

Would you or your clients be interested in any of these Options products?

Options on Adjusted Interest Rate Total Return Futures

Options on S&P 500 ESG Futures

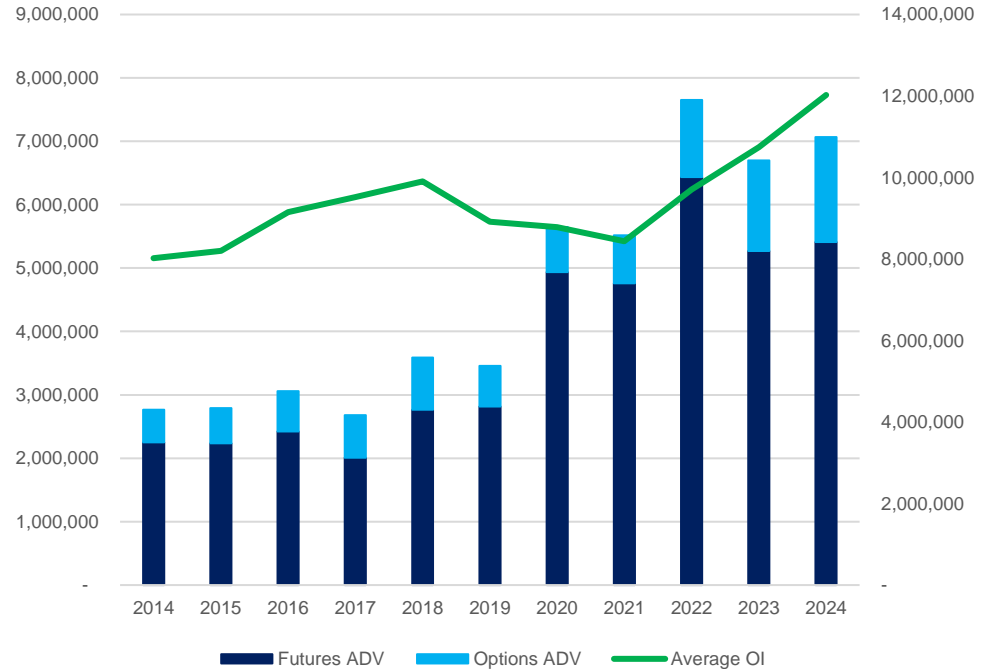
Options on S&P 500 Equal Weight options

# CME Group Equity Index Products

Equity Index products have had an outstanding year in 2024 driven by continued innovation and reliable risk management tools:

- Futures & Options ADV in 2024 is 7.1M with record Average Daily Open Interest at 12M
  - Equity Futures average daily volume is 5.4M, with record open interest of 5M contracts traded per day
  - Equity Options volume is averaging at a record 1.7M contracts traded per day in 2024, with open interest of 7M.
- Q3-2024 futures and options ADV is 7.6M with record OI at 12.2M (+14% vs Q3-2023).
- Equity Options Q3-2024 have a record open interest of 7.2M (+25% vs Q3-2023).

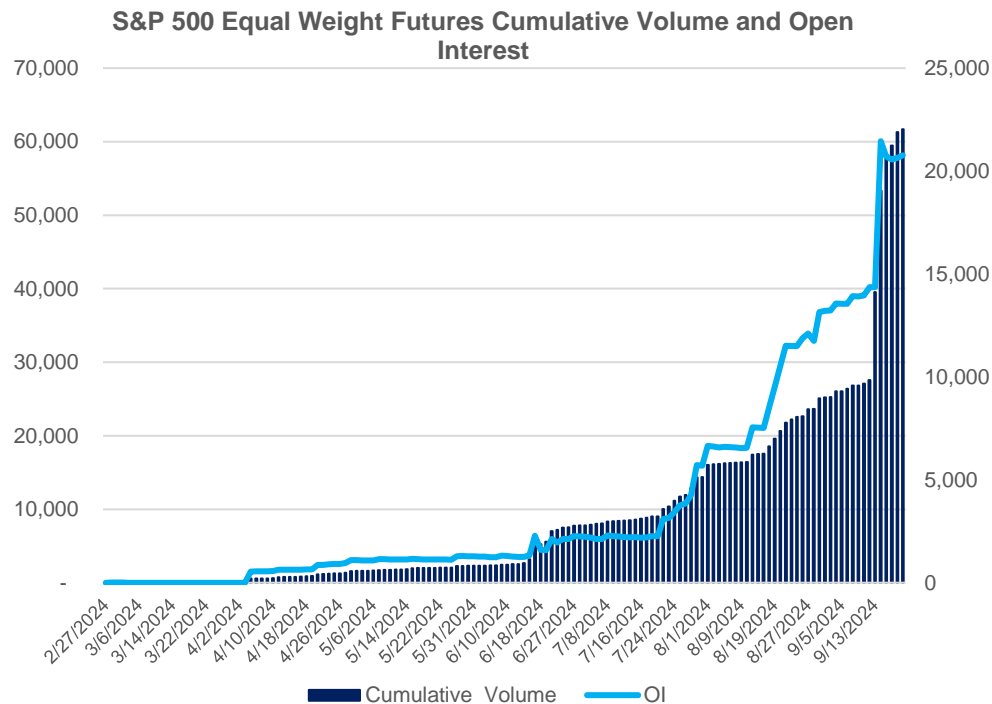
## Equity Index Annual ADV & Average Open Interest



# E-mini S&P 500 Equal Weight Futures

Delivering Capital-Efficient Products for navigating market volatility

- Now trade E-mini S&P 500 Equal Weight Futures, launched in Feb 2024
- Q3-2024 daily volume is averaging 914 contracts and average OI is 8.6K contracts.
- EWF saw a single day record volume of 13,778 (\$1.9bn notional) on 09/16/2024
- Notional OI has grown to \$2.1bn as of 9/27/2024
- Get equal exposure to each stock in the S&P 500 Index and reduce concentration of large-cap U.S. equity allocation
- Available to trade via Globex CLOB, BTIC or Block



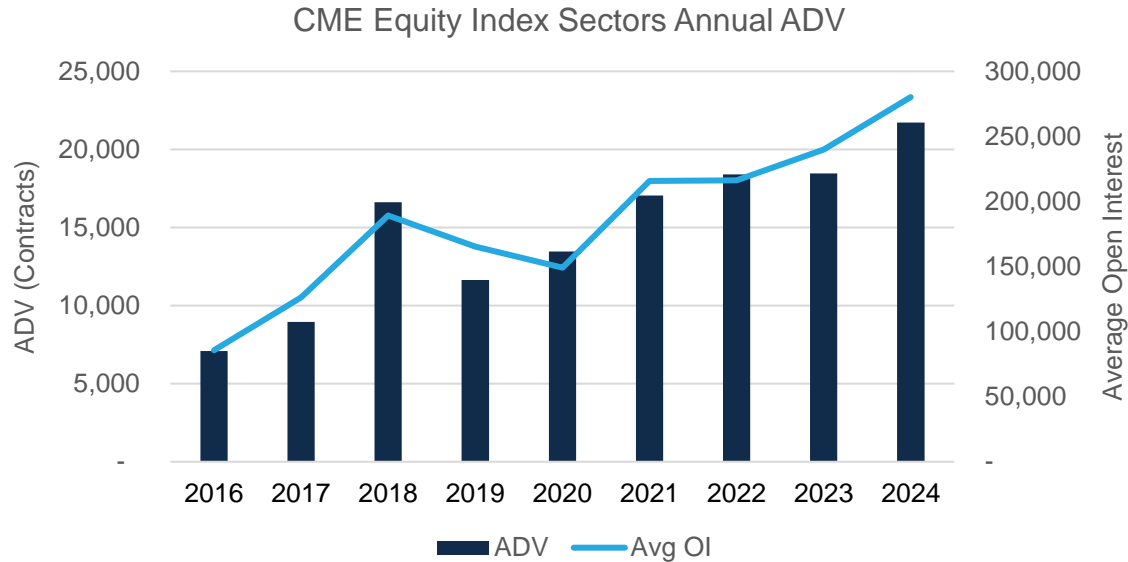
Data source: SPDJI, Bloomberg



# Sector Futures Growth

## Sector Futures' liquidity has grown significantly over the last few years

- 2024 ADV is a record 21.1K (+14% vs 2023), OI is also a record averaging over 267K (+11% vs 2023)
- E-mini Sectors Q3-2024 ADV is averaging 23.3K contracts, growth in the suite due to Derived Block capabilities.
- Since inception, we have had over 1,300 derived block transactions with over 760K contracts traded (over \$55B notional)



Data source: CME Group

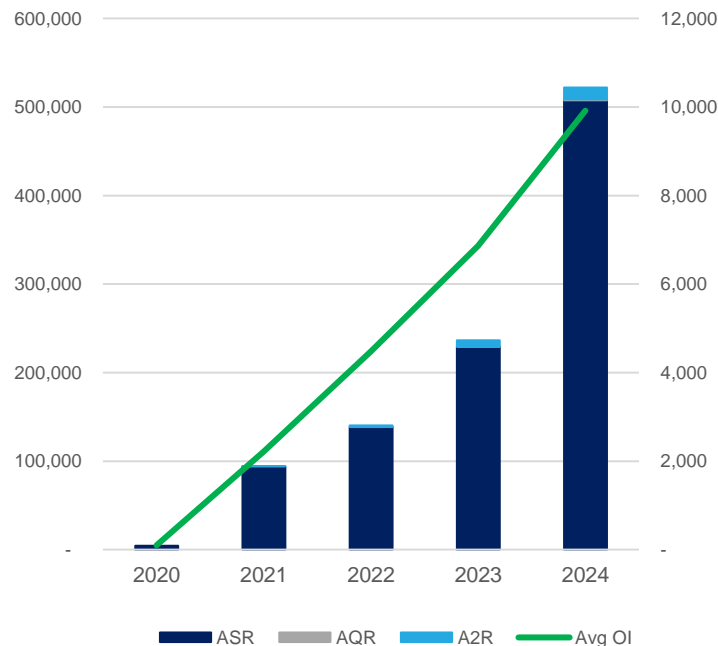
# Adjusted Interest Rate Total Return Futures

Launched on September 21, 2020

- 2024 ADV is averaging 10.4K (+128% vs 2023) and average OI is 495K (+44% vs Q3-2023)
  - September ADV is trending at a monthly record of 23.3K contracts
- Year-to-date Globex ADV is 1.9K (+445% vs 2023)
- AIR TRF saw a single day record volume of 56,711 on 06 June 2024
- Notional of OI has grown to \$193bn as of 9/20/2024
- Volume continues to grow in the Nasdaq-100 & Russell 2000 AIR Total Return products
- Now trade: Adjusted Interest Rate S&P 500 Total Return Futures (SOFR) Futures (ASPR)

Product	Globex	Bloomberg
Adjusted Interest Rate S&P 500 Total Return Futures (SOFR) Futures	ASPR	TVOA Index
BTIC on Adjusted Interest Rate S&P 500 Total Return Futures (SOFR) Futures	ASPT	TXOA Index

AIR TRF Annual ADV and Average OI



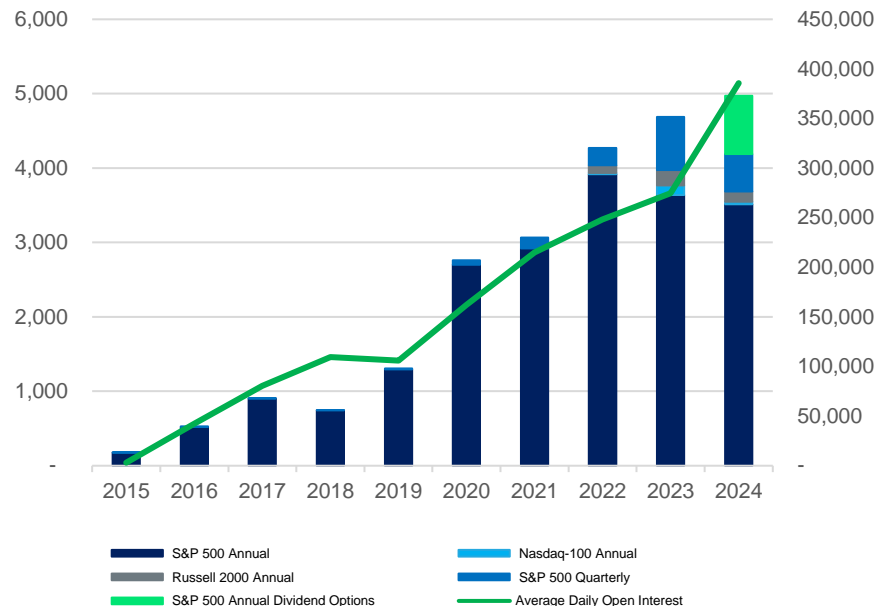
Source: CME Group, data through 9/20/24

# S&P 500 Dividend Futures & Options

## Delivering Capital-Efficient Products for an Evolving Regulatory Environment

- 2024 ADV is 5K (+6% vs. 2023) contracts per day, OI is averaging of 385K (+40% vs. 2023)
- Capital efficient, margin of 4% per contract, can be more efficient than OTC alternatives
- Continue to see trading activity in Annual Dividend Index futures available on Nasdaq-100 and Russell 2000
- Now trade Options on S&P 500 Annual Dividend Index Futures, launched in Jan 2024 – ADV is 786 contracts since launch
  - Options on S&P 500 Annual Dividend Index Futures saw a single day open interest record of 105,941 contracts on 9/20/2024
  - Single day volume record of 12,155 achieved on 4/18/2024

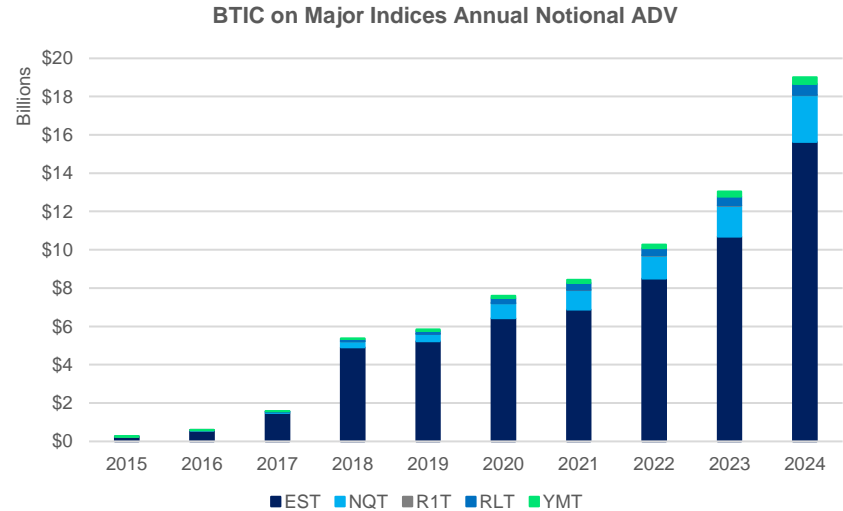
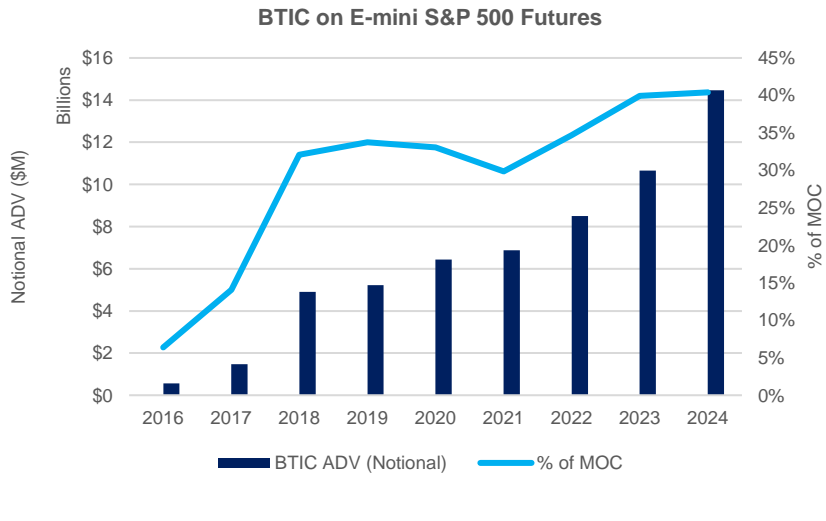
CME Equity Index Dividend Futures & Options Annual ADV



# Basis Trade at Index Close on US Major Indices

2024 ADV of 73K contracts represents 42% of the Daily Market on Close (MOC)

- Q3-2024 BTIC ADV is a record 80K contracts (+33% vs Q3-2023)
- Nearly 75M contracts (\$14T notional) traded have since the Nov. 2015 launch
- In August, BTIC represented 30% of the Month-End MOC trading flows on the primary cash venues
- Stock volumes have significantly shifted towards the cash index close



Data source: CME Group

# Trade Marker at Close (TMAC)

## A useful functionality to target the future settlement price

- TMAC transactions have traded over 69.2K contracts since launch across S&P 500, Russell 2000 and Nasdaq-100
- Q3-2024 YTD ADV is 634 contracts (+114% Q2-2024)
- Available on E-mini S&P 500, Russell 2000, Nasdaq-100, Dow Jones Futures

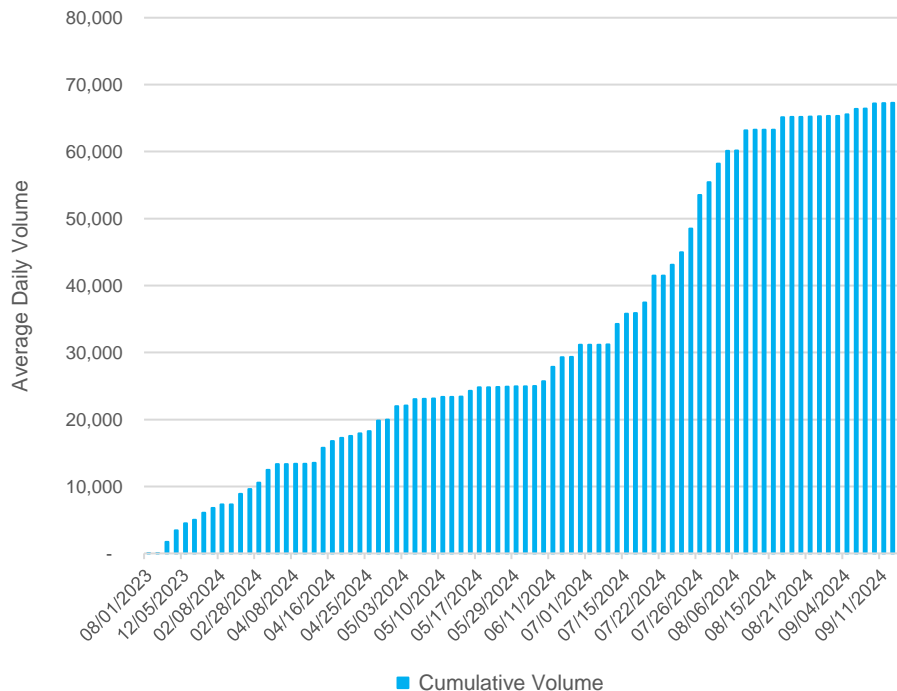
## TMAC transaction

- Counterparties agree to a spread to be added to the futures marker established at the close of the U.S. market. Once the marker price is established, the price of the underlying futures position will be determined by adding the agreed upon spread to the marker price

## Why launched?

- Counterparties who wish to trade futures at or near the futures settlement level may find TMAC useful.
- For option on futures participants, the European style options expire to the same marker price underlying the TMAC transaction. Thus, TMAC can be useful for the hedging of any related delta near or at expiration.

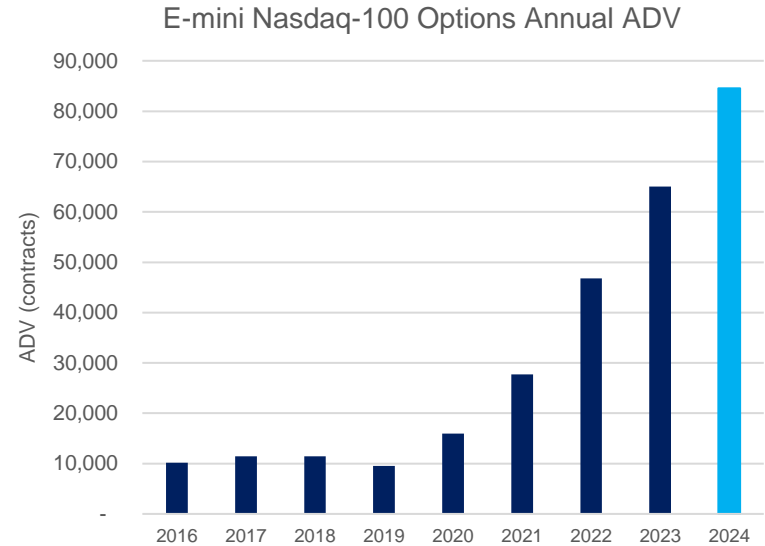
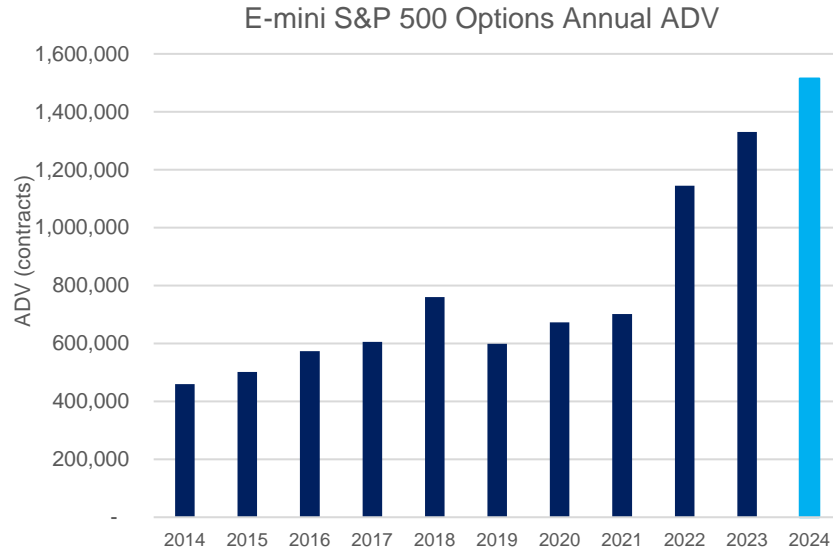
Trade Market at Close (TMAC)  
Cumulative Volume since launch



# Record 2024 Options Volume

Equity options 2024 daily volume is averaging at a record 1.7M across S&P 500, Nasdaq-100, Russell 2000, and more

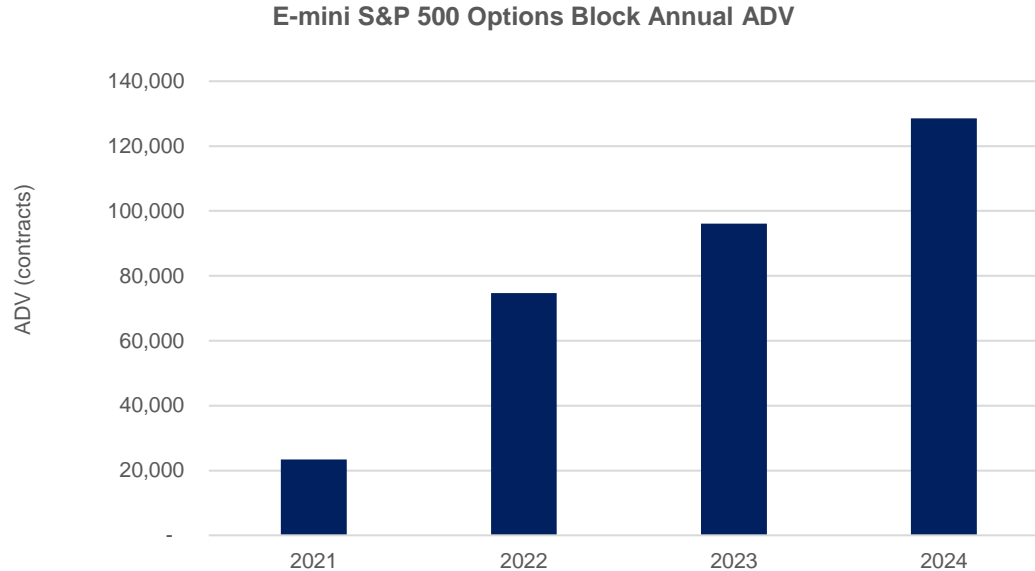
- Q3-2024 Equity Options volume is averaging over 1.7M (+15% vs Q3-2023)
- E-mini S&P 500 options 2024 ADV is a record 1.5M (+14% vs. 2023)
- E-mini Nasdaq-100 options 2024 ADV was a record 85K (+30% vs. 2023)
  - Single day volume record of 174K on July 24th.



# E-mini S&P 500 Options Blocks

Negotiate and Trade Large Size without Slippage or Breakup risk at **Any Time of the Day**

- 2024 daily volume is averaging over 128K in options blocks (+33% vs 2023)
- Single day volume record of 558K on March 15th 2024



Minimum Block Quantity is 100 contracts for E-mini S&P 500 Options, and 60 contracts for E-mini Nasdaq-100 options

Data source: CME Group

# Delta-Hedged Option Block Trading

For clients who wish to trade an options block without a delta exchange, against a delta hedging liquidity provider, the following rule clarification applies, detailed in a Market Regulation Advisory notice, effective July 2024.

- **Indication of Interest:**

- Client requests pricing of an option block from liquidity provider(s) acting in a principal capacity.
- The client does not require a delta exchange.
- Liquidity Provider indicatively quote options block versus a potential futures reference level. Client expresses indication of interest; the trade is not yet consummated.

- **Pre-Hedging/Updated price quote:**

- Liquidity Provider pre-hedges their delta exposure with underlying futures.
- The option price is updated to reflect the level of the pre-hedged delta.

- **Trade Consummation:**

- The client agrees to the updated option price level.

[Market Regulation Advisory Notice: FAQ-Q12.](#)



# Delta-Hedged Option Block Trading

## Key Highlight:

- **Trade Reporting:**

- The trade is not considered consummate (and hence the 'submission clock starts') until the delta hedge is complete and the final option price agreed to

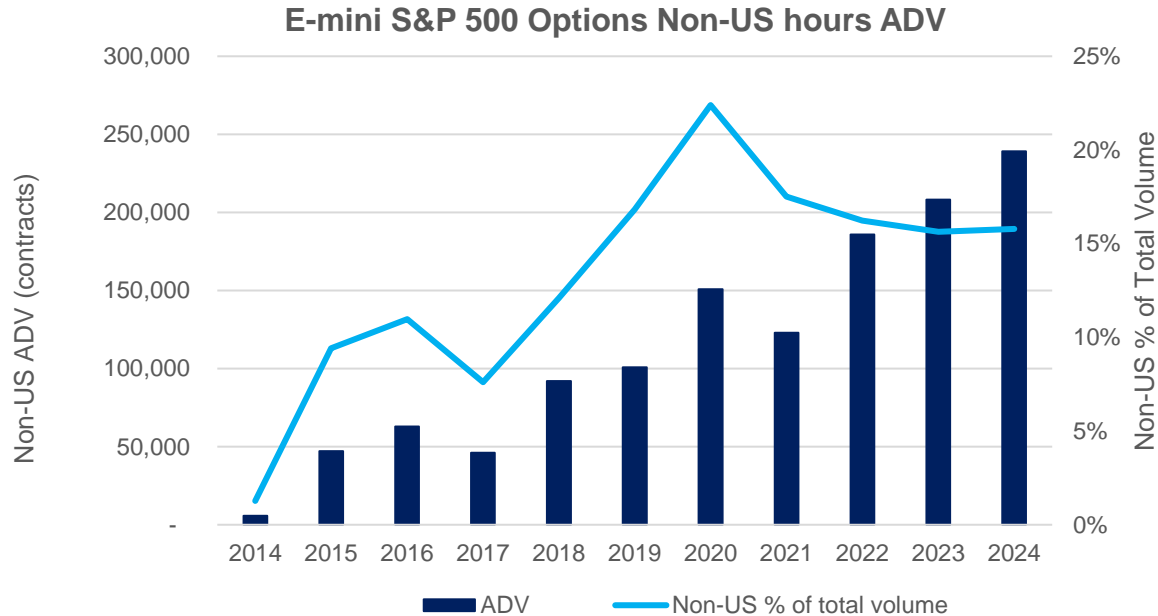
- **Fair and Reasonable Pricing Threshold:**

- The assessment of a 'fair and reasonable price' is determined based on market prices over the entirety of the delta hedging window
- The final option price may be different to where the Globex option prices are displaying at the time of trade consummation

# Strong Non-US Hours Options Liquidity

Capitalize on liquidity whenever news happens with over 274K contracts traded daily outside of U.S. trading hours<sup>1</sup> so far in 2024

- CME has the greatest S&P 500 option liquidity of any listed venue during Non-US hours
- Overnight liquidity in E-mini S&P 500 options ADV is 239K (+15% vs. 2023)



<sup>1</sup> Non-U.S. Trading Hours are 5:00 p.m. – 8:00 a.m. CT / 6:00 a.m. – 9:00 p.m. SG & HKT

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Visit [cmegroup.com/equities](https://cmegroup.com/equities) to learn more about our product offering and access free tools and reports

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