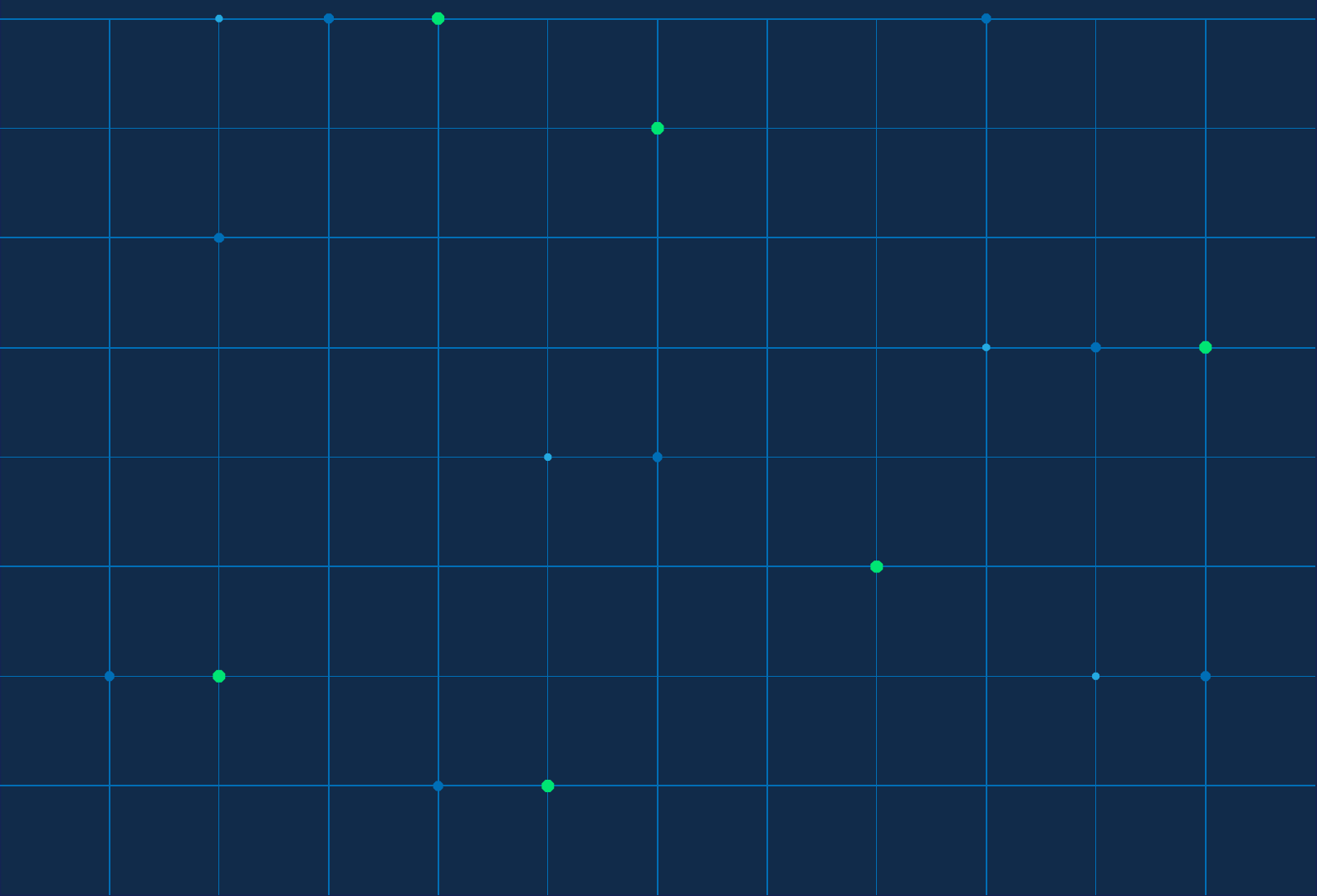


# CVOL Oversight Committee

Oversight Committee meeting minutes  
CME Group Benchmark Administration Limited

February 22<sup>nd</sup>, 2022



## Attendees

### Members

Name	Status
Carrick Pierce	Present
John Wiesner	Present
Craig LeVeille	Present
Jeff White	Present
Eric Leininger	Present
Udesh Jha	Present
Vincenzo Albano	Present
Graham Stride	Present
David Reif	Present

### Observers and Guests

Name	Status
Tao Van De Graff	Observer
Jackson Griffith	Observer
Gavin Lee	Guest

## Agenda

- Introduction to the Oversight Committee
- Disclosure of any actual or perceived Conflict of Interest
- Approval of previous Oversight Committee minutes
- Benchmark Administrator Management Information
- CVOL Governance
- Licensing Policy & Product Distribution update
- Legal & Compliance Updates
- Items for the next Oversight Committee

## Introduction

The meeting was called to order and declared quorate.

The Chair went through the opening statements and introduction.

## Conflicts of Interest Declaration

The Chair asked whether Committee members had Conflict of Interest not already disclosed to the Administrator. None were declared.

## Prior meeting minutes approval

The Chair asked for the approval of the prior committee meeting minutes. Minutes were approved unanimously.

## **Benchmark Administrator Management Information**

The Benchmark Administrator (Administrator) took the committee through the statistics and performance of the CVOL indices since the last Oversight Committee meeting.

The ADV volumes of underlying options for each index were assessed to ensure robustness of the benchmarks.

A Committee Member asked whether, there was a skew towards front contracts and whether separate analysis by expiry date should be conducted to ensure that the 30 days tenor is fairly represented.

The Administrator clarified that the aim of CVOL is to model 30-days volatility, and the calculation weights two options expiries to achieve the required implied volatility value.

A Committee Member added that Eurodollar options volatility should be monitored as market users are transitioning from Eurodollar into SOFR Options.

The Chair commented that Eurodollar trends should be monitored and that, in liaison with other BLM managers, analysis is underway to assess liquidity shifts to SOFR. Recent observations have reported a modest level of liquidity in SOFR Options, trending upwards.

The Administrator continued the update covering Metals, Energy and Agriculture. A Committee Member added further colour on the volatility observed in the Cattle market.

The Administrator presented a comparison of Options ADVs vs respective Futures ADVs. The intent for the Administrator is to always ensure that underlying volumes support benchmarks' representativeness.

## **CVOL Governance**

The Administrator moved to present the Governance section, comprising of Incident Reports and an update on Tenor Selection.

The Tenor Selection process was presented to the Committee and it was commented that the documented analysis recommends leaving the current criteria unchanged.

## **Licensing Policy & Product Distribution update**

The Chair asked the Administrator to provide an update on Licensing.

The Administrator announced that currently over 100 subscribers' access CVOL on DataMine. No further changes to the Licensing policy to report.

The Chair congratulated the Administrator for excellent progress.

## **Legal & Compliance Updates**

Legal indicated that there were no updates to report.

## **Items for discussion at next Oversight Committee**

The Chair asked whether there were any items suggested for discussion at the next OC. The following were indicated:

- The use of SOFR options in the CVOL Family
- Update on CVOL real-time intraday indices
- Review of benchmark cessation rules, as stated in the Benchmark Methodology.

As there were no more items for discussion, the Chair made his closing remarks and drew the meeting to a close.

