

CME Foreign Exchange Products

CME FX Futures: Maximizing the Opportunity for Individual Investors



CME E-equivalents®

FX futures displayed in spot equivalent prices – free, real-time and online

Features include:

- » CME FX futures prices displayed in spot market format
- » Real-time prices in all electronic CME FX markets
- » Live quotes from three CME FX markets per page – along with the five best bids and offers in spot market convention
- » Forward rate quotes for six currencies from ICAP, the world's largest interdealer broker, for easy comparison of FX cash and futures prices
- » Links to educational material, training, upcoming events and other information to help you trade FX

The screenshot displays the CME E-equivalents interface for CME Foreign Exchange Products. It features a navigation bar with tabs for 'CME FX OVERVIEW', 'CME E-EQUIVALENTS', and 'CME EUROPEAN STYLE FX OPTIONS'. The main content area is divided into three currency-specific sections: EuroFX, Japanese Yen, and British Pound. Each section shows a 'Futures Bid' and 'Futures Ask' table, a central quote area with bid/ask prices and spreads, and a 'Forward Points' section. Annotations on the right side of the screenshot point to various data points: 'Total number of electronically traded contracts so far on that day's trading session' (Total eFX Volume: 292,266), 'Total notional – cash – value of electronically traded contracts so far on that day's trading session' (Total eFX Notional: 30,379M), 'Forward points (interest rate differentials)', 'Top five bids and offers', 'Best bid in spot equivalent terms', and 'Best offer in spot equivalent terms'.

Compare bid/ask spreads before you make your next trade.

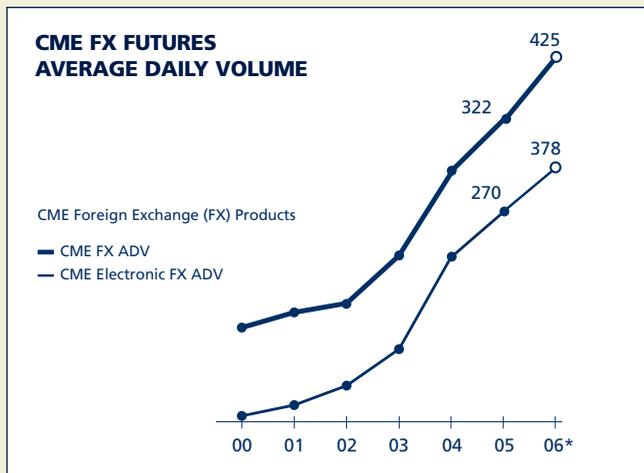
Take a look at www.cme.com/e-equivalents.

Interested in Trading Foreign Exchange?

In 1972, CME transformed global finance with the launch of the first financial futures contracts via the newly organized International Monetary Market (IMM). Today, CME is the largest market for exchange-traded foreign exchange (FX) futures in the world. Overall, the FX market is the largest in the world, with transactions representing more than \$1.9 trillion each day. CME offers extensive coverage of this marketplace, with 41 futures contracts and 31 options contracts on 19 currencies, traded against the U.S. dollar and in non-U.S.-dollar pairs.

If you currently trade FX in the over-the-counter (OTC) market, it's important for you to know that CME offers many advantages over those markets.

- » Open, fair and anonymous trading environment
- » Equal access to the same FX markets and prices for all traders
- » Transparent pricing and commissions
- » Consistently tight spreads
- » Global access to CME's electronic FX markets virtually 24 hours a day
- » Access to approximately \$60 billion in liquidity every day



* Through June 30, 2006 (Futures volume in thousands)

The Benefits of Trading CME FX Futures vs. Cash

If you trade OTC FX, it's time to look at CME FX futures. An exchange environment, with its open and transparent market pricing, offers all market participants the opportunity to be involved in the process of price discovery, and provides other key advantages over "private" deals in the OTC market. Online access available virtually 24 hours per day, combined with low trading costs and the backing of CME Clearing, make CME a highly cost-effective, transparent and secure place to trade FX.

CME FX offers:

Market Integrity

CME is regulated by the U.S. Government via the Commodity Futures Trading Commission (CFTC). Integrity and openness are critical components of CME markets. Fair and transparent pricing, open access and the highest ethical standards are important criteria applied in managing CME markets.

Liquidity

CME FX futures markets are supported by automated trading systems supplying continual pricing feeds from global FX market makers. These pricing feeds are real-time, dealable quotes, which allow CME to provide exceptional market liquidity and a dynamic trading venue for a large pool of FX fund managers, interbank spot FX traders, international asset managers, multinational corporations, speculators, day traders and individual investors.

If you trade on the OTC market, you may not really know the bid/ask spread costs, which are built into the FX rate that you are quoted. Each time a quote is requested from an FX dealer in the OTC market, prices are produced for the interested counterparty alone. As a private deal, quotes are often five pips wide and are shaded to favor the dealer's position, leading to price slippage.

Superior Security

If you trade FX at another venue, you may not be aware of how important the guarantor and clearing method of a marketplace is. As opposed to trading in the OTC market, CME FX futures offer the unparalleled backing of CME Clearing. The system of safeguards in place ensures that all parties involved in any CME FX futures trade will "make good" on their trade and protects traders from the possibility of default. This type of clearing guarantee generally is not matched at other non-exchange FX trading venues.

Flat Fees

If you currently trade FX in the OTC market, you may be paying more than you think for your trades. At CME you can see the costs up front. Spread costs on the OTC market could ultimately cost you more in your overall FX transaction, due to the non-transparent nature of OTC pricing. OTC trades are private deals that very often have a dealer spread in the quoted price – which ultimately increases your trading cost.

Full trading access to CME, the world's most liquid FX futures exchange, can be obtained by posting the necessary performance bond and payment of a flat CME clearing fee. In the OTC market, brokers make their livelihood by quoting wide bid/offer spreads in order to capture a pip or more of the price on every trade. Widely advertised as "commission-free trading," these undisclosed deal spreads raise the cost of FX deals to customers.

Fully disclosed futures brokerage fees are a transparent, cost-effective execution pricing mechanism in comparison with the OTC approach. At CME, transactions are reasonably priced and costs are always fully disclosed.

Rapid Electronic Trading

CME offers trading on the CME Globex electronic trading platform. Once you have established an account with a National Futures Association registered broker or futures commission merchant (FCM), there are a variety of ways for you to trade on CME Globex. If you do not have access to a personal computer, your broker can execute trades on CME Globex on your behalf. If you wish to place orders and receive market data directly via your computer, you can select from a variety of certified CME Globex trading applications.