



FMA Welcome Cboe Overview

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CBOE – Bats Acquisition

- ❖ CBOE Holdings announced intent to purchase Bats Global Markets in September 2016
- ❖ The deal closed on February 28, 2017
- ❖ CBOE Holdings was added to the S&P 500 on March 1, 2017
- ❖ Last month CBOE Holdings was renamed Cboe Global Markets to appropriately reflect our new combined company



- ❖ Largest Option Market Operator in the US with four exchanges
- ❖ Second largest US Equities Market Operator with four exchanges
- ❖ Largest pan-European exchange by market share and value traded
- ❖ Cboe Futures Exchange is the home for volatility futures trading on the Cboe Volatility Index (VIX)
- ❖ Cboe FX (formerly Hotspot) is a leading



Premier Educational Forum for Users of Equity Derivatives and Volatility

3rd Annual Asia RMC
Hong Kong Dec 5-6, 2017

34th Annual US RMC
Bonita Springs, FL Mar 7-9, 2018

7th Annual RMC Europe
County Wicklow, Ireland Sep 12-14, 2018



Samples of Topics

- ❖ Constructing / Deconstructing Volatility Risk Premium Strategies
- ❖ Intersection Between Macroeconomic Conditions and Volatility Levels
- ❖ Cross-Region Volatility Analysis
- ❖ Developments in Options and Volatility Based Benchmarks
- ❖ Design and Trading of Volatility-Related ETPs



- ❖ Cboe calculates and publishes data on twenty nine different volatility indexes using the VIX methodology
- ❖ There are a wide variety of markets covered through these indexes
- ❖ Very little academic research has incorporated this data into studies and the data is readily available and free



- ❖ Cboe Benchmark Indexes could be considered an early forerunner to smart beta strategies
- ❖ There are strategy benchmarks demonstrating the performance of a large number of systematic option and volatility oriented strategies
- ❖ The academic research in this area is fairly limited – we do have substantial data available



- ❖ Cboe has created target outcome indexes based on SPX option spreads
- ❖ The initial indexes show the returns of a strategy that has limited upside with a buffer against some losses on the downside
- ❖ We also introduced a target outcome index that combines option selling with the stocks in the Dividend Aristocrats index.



- ❖ Pending regulatory approval Cboe will launch cash settled index options based on sector indexes
- ❖ These indexes allow for potential exploration of performance attribution and sector volatility characteristics



- ❖ Pending regulatory approval Bitcoin Futures will be listed on the Cboe Futures Exchange



- ❖ This is our second year running this conference in conjunction with the FMA
- ❖ Both years we received over a hundred papers for consideration
- ❖ Selecting six was difficult, but Bryan managed to put together an excellent program
- ❖ Cboe hopes to continue to collaborate with FMA as well as individual universities

