



## Tradition launches new volatility futures platform

### *Streamlined negotiation of CME Group futures with variance pay-off*

**London, 10 June 2013** – Tradition, one of the world's largest interdealer brokers in over-the-counter commodity and financial products, has today announced the launch of Volatis, a new hybrid platform designed to facilitate the negotiation, and subsequent trading of, realised volatility futures with a variance pay-off listed and cleared on CME Group exchanges.

Volatis has been designed to facilitate improved liquidity and access to the volatility market, along with greater pre- and post-trade transparency. Hybrid (voice and electronic) negotiation via the platform enables trading across multiple asset classes, allowing correlation spreads between realised and implied volatility.

Daily fixings are provided by a recognised neutral market data provider ensuring an accurate reflection of realised volatility and high degree of integrity. Products negotiated on Volatis will be cleared by CME Clearing, to encourage increased market participation and reduce counterparty risk.

In the initial phase, Volatis will offer indications in block trades of cash settled futures contracts offered by CME Group exchanges on: NYMEX WTI crude, NYMEX Brent crude, NYMEX natural gas, COMEX gold, COMEX silver, and CME currencies EUR/USD, AUD/USD, GBP/USD, USD/JPY.

**Rupert Hodges, CEO of Tradition FX, Energy and Equities said:** “Volatis is the first platform that allows negotiation and subsequent clearing of realised volatility futures across asset classes with a variance payoff. The offering enables volatility exposure without the strike risk and complexity inherent in an options portfolio. It also gives access to increased trading opportunities which, in turn, means better hedging of your exposure to, or correlation trading against, implied volatility.” **Hodges added:** “The combination of focused technology tailored to users’ trading objectives and our experienced broking team means that the hybrid nature of the derivatives market is fully replicated to enable deeper liquidity and a smooth negotiation process.”

“This suite of futures products offers an innovative way for our customers and other market participants to manage their exposure to price movements across the currency and commodity markets,” **said Derek Sammann, Senior Managing Director at CME Group.** “During periods of high volatility, when liquidity and counter-party risk can increase, CME Group’s variance futures provide a sophisticated new way for customers to hedge against systemic risk in a centrally cleared environment.”

- Ends -

**For further information, please contact:**



**MHP Communications**

John Sarsfield/James Morgan/Fern Hammond

[Tradition@mhpc.com](mailto:Tradition@mhpc.com)

+44 20 3128 8530/8533/8092

**Note to editors:**

Volatis is the new realised volatility futures platform from Tradition, quoting volatility prices based on the following underlying products: front month futures on NYMEX WTI, ICE Brent, NYMEX Natural Gas, and spot Gold, Silver and FX Currency pairs (EUR/USD, AUD/USD, GBP/USD, USD/JPY). Volatis is open to all institutions meeting both the Eligible Counterparty or Professional Client criteria as defined by the Financial Conduct Authority and the Eligible Contract Participant criteria as defined in the US Commodities Exchange Act. All participants must be or have access to the clearing and settlement services of a CME Futures Commission Merchant.

**About Tradition and Compagnie Financière Tradition SA:**

With a presence in 28 countries, Compagnie Financière Tradition SA is one of the world's leading interdealer brokers (IDB). The Group provides broking services for a complete range of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and commodity-related products (energy and environmental products, and precious metals). Compagnie Financière Tradition SA is listed on the SIX Swiss Exchange (CFT). Volatis is a trade mark of Compagnie Financière Tradition SA. Volatis is an MTF operated by TFS Derivatives Limited, authorised and regulated by the UK Financial Conduct Authority and is a member of the National Futures Association in the US. For more information, please visit [www.volatis-trading.com](http://www.volatis-trading.com).