



**FXMarketSpace™**

a Reuters | CME Company

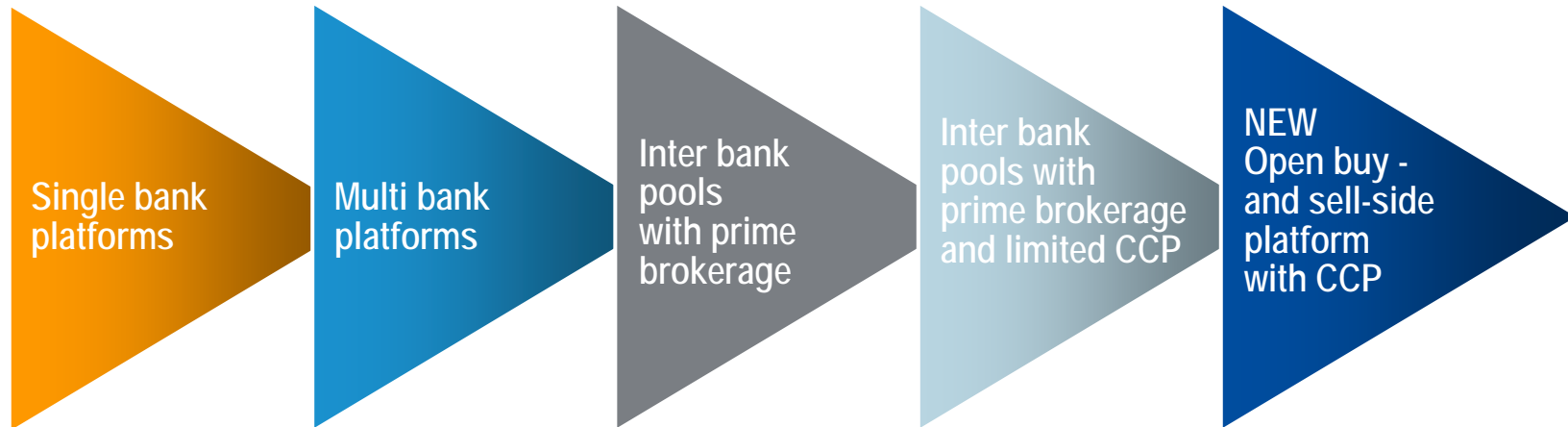
## **Presentation to the European Central Bank** **Philip Harris, Head of Sales Americas and EMEA**



# FX Market Evolution



## The market is driving towards a more open trading alternative



- Bilateral customer relationships
- Client relationship / cross-market capability
- Attract additional order flow

- Effective liquidity management
- Manages market growth
- Consolidates market efficiencies

- Service hedge fund flows
- Support for algorithmic models
- Attract additional order flow

- Provide credit intermediation for the credit-challenged inter bank market

- Transparent
- Completely Anonymous
- Credit Efficient access

# Meeting Emerging Customer Needs



## Centralised OTC FX execution venue with clearing and linked settlement

### Key Features

- Trading access sponsored by prime brokers and clearing members
- Ability to trade on every price
- No bilateral credit
- Total anonymity
- 5 deep prices
- No order throttling / speed bumps
- Robust, scalable technology
- Access – Reuters desktops, CME API, Independent Software Vendors
- Reuters and industry STP formats, including FIX 4.2



# Target Audience & Supported Currencies

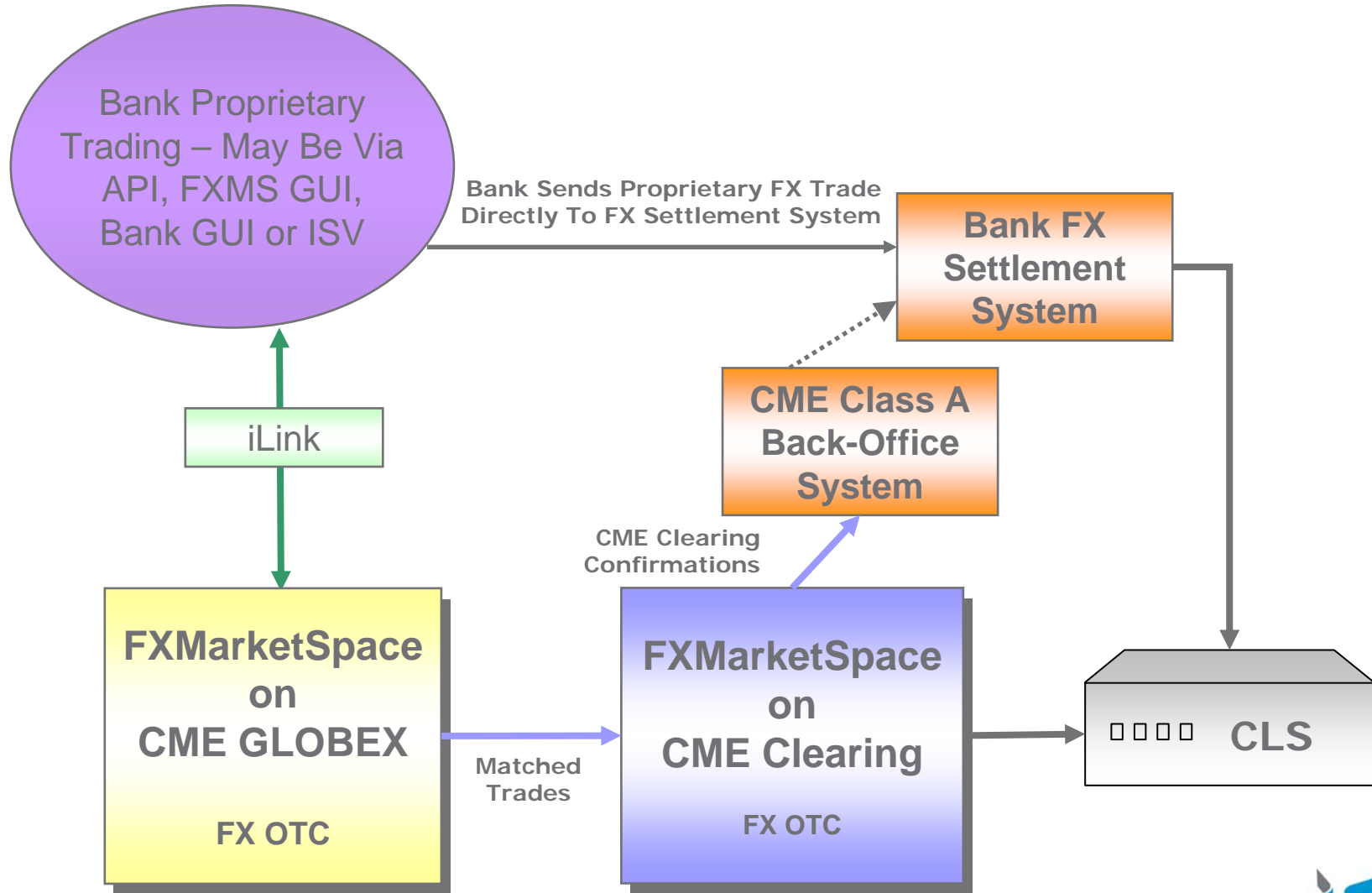
## ■ Audience –

- Global banks  
(Market makers, Prime brokers, Prop desks)
- Regional/domestic banks
- Hedge Funds, CTAs, Prop Firms
- Algo and/or GUI
- Asset managers and Corporates are Tier 2 targets

## ■ Currencies -

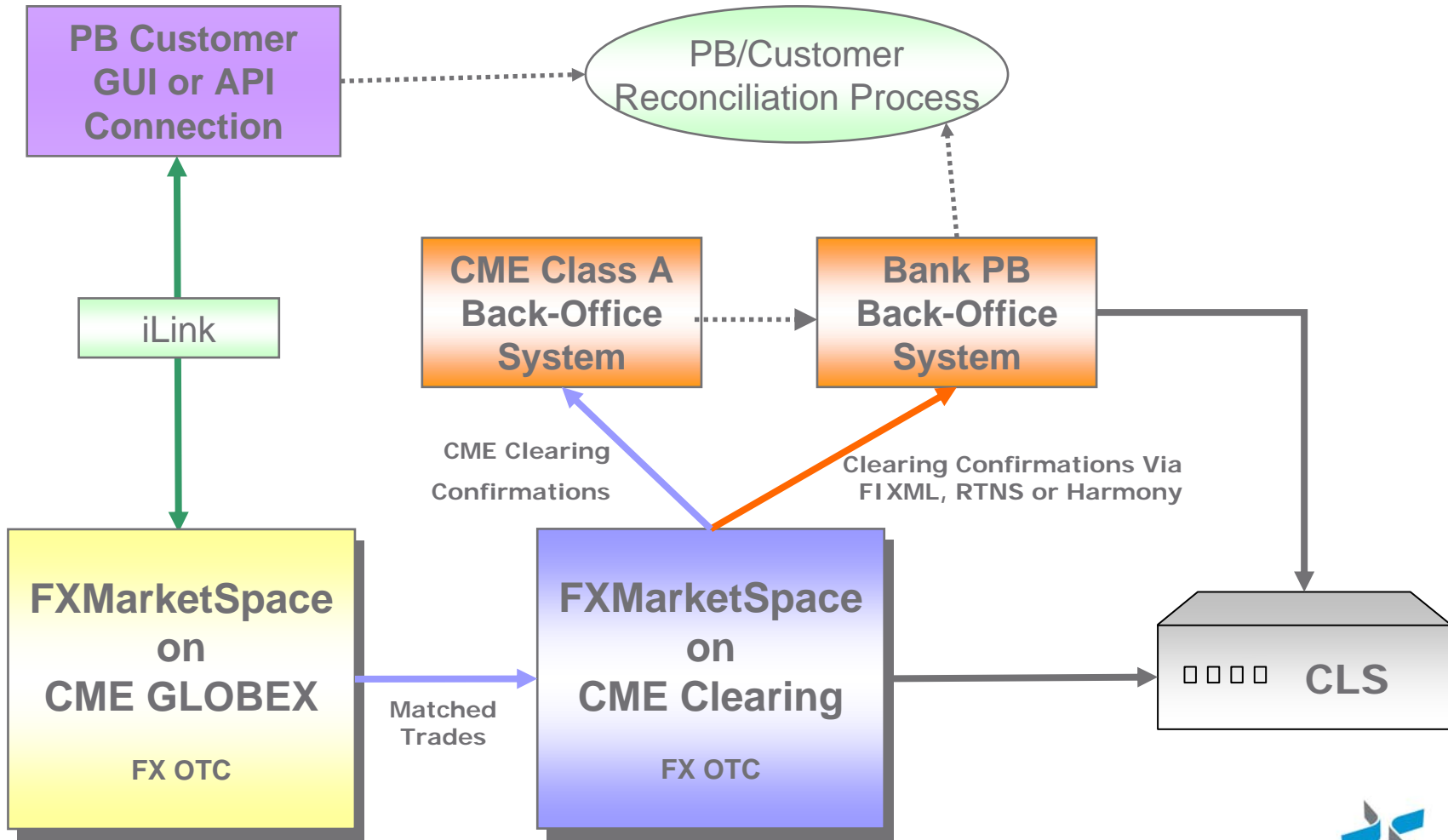
- EUR.USD; GBP.USD; USD.CHF; USD.JPY; AUD.USD;  
USD.CAD; EUR.GBP; EUR.JPY; EUR.CHF; GBP.JPY
- Traded in 1 unit of base currency

# Trade Flows – Trading



Bank Trades Directly On FXMarketSpace

# Trade Flows – Trading using Prime Broker



# Progress

- 80+ customers signed (incl 15 of Top 20 FX banks)
- Live environment began 8<sup>th</sup> February (Live trades / EAP customers)
- Launched 26<sup>th</sup> March
  
- FXMarketSpace has 40 employees in four locations (London, New York, Chicago and Tokyo)
- FSA authorised as an Alternative Trading System
- Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, Norway, Spain, Sweden, Switzerland, UK, USA

# Product Rollout

- 2008
  - Launch Forwards
  
- 2009
  - Launch FX Options





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