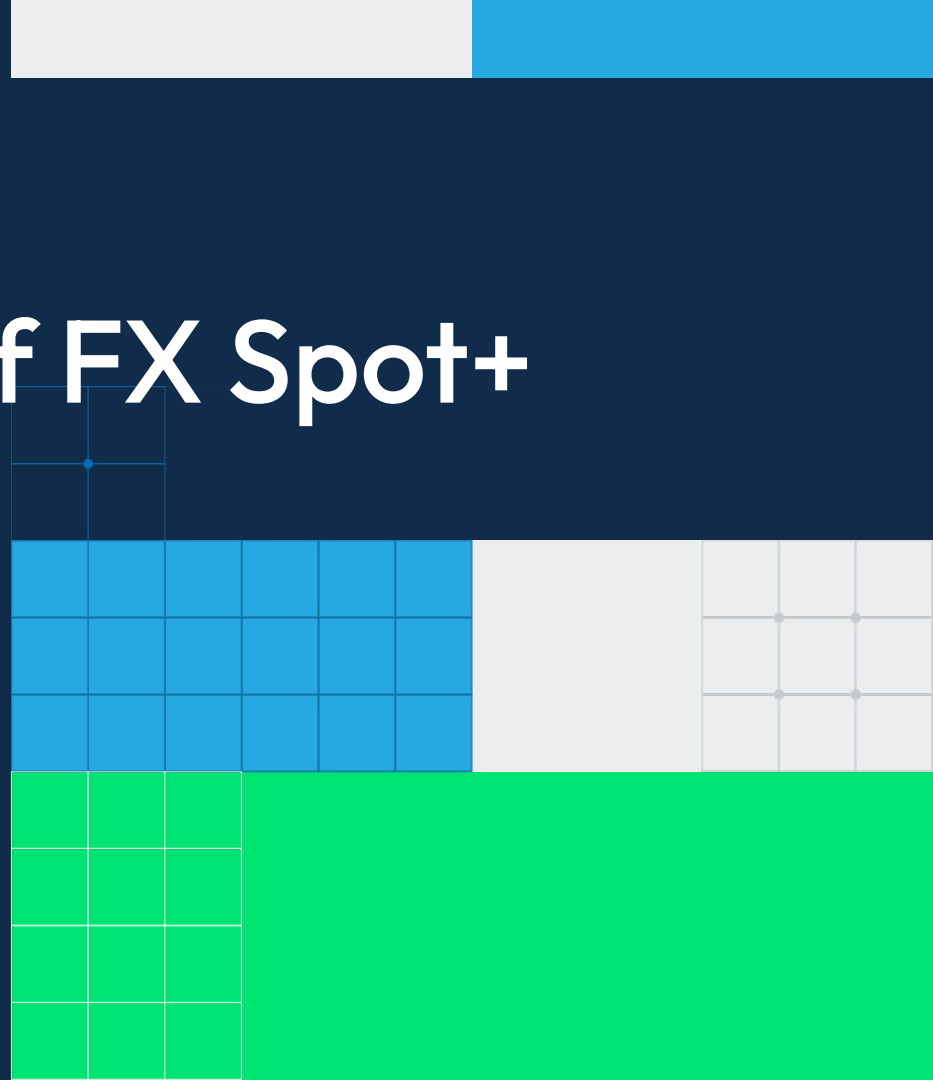
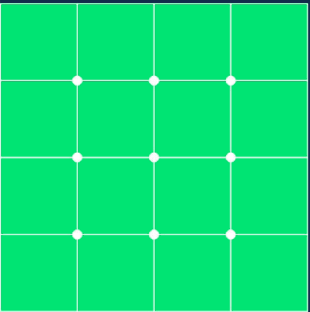


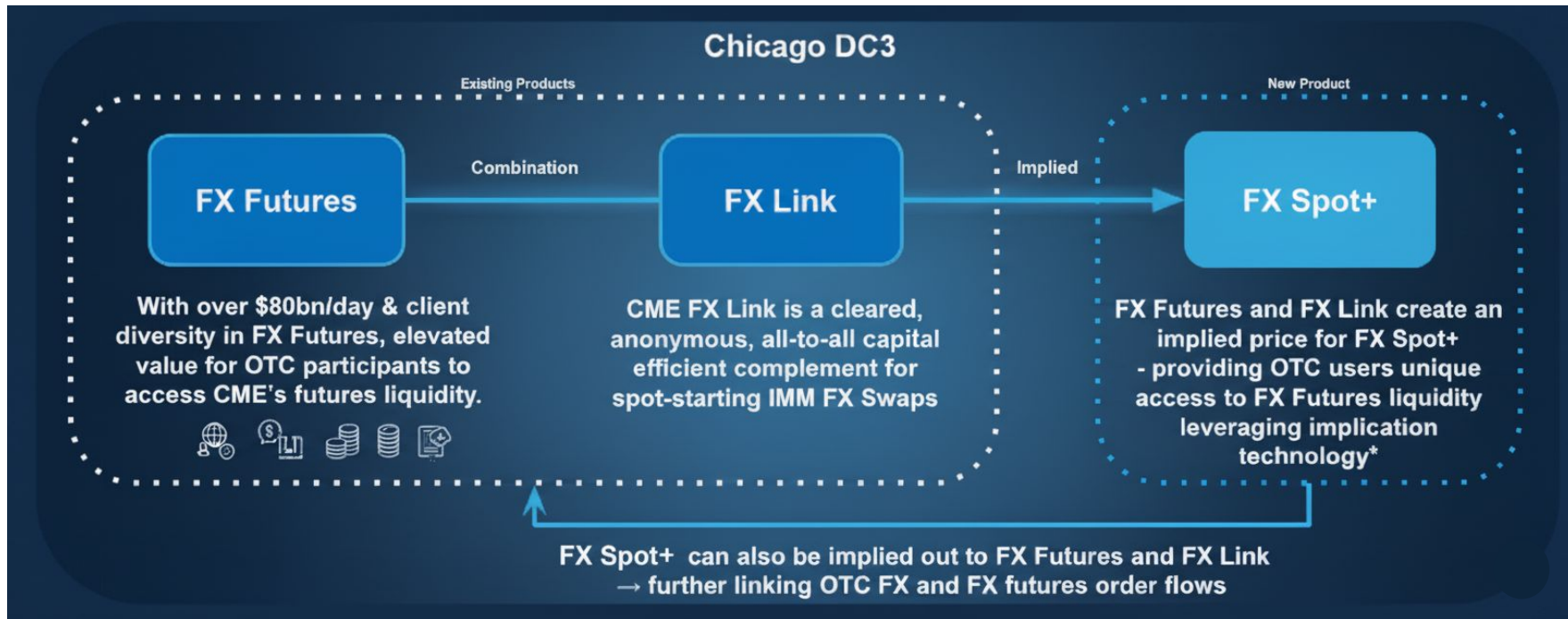
Under the hood of FX Spot+

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CME FX Spot+ - Connecting OTC Spot FX and Futures Liquidity



CME FX Spot+ provide OTC users access to FX Futures liquidity by way of implication technology, make OTC liquidity available to FX Futures participants, create new incentives to participate in FX Link, and increase the value of EBS connectivity/sessions

Why the the OTC FX market is adopting FX Spot+ via the EBS Network

FX Spot+ provides the market with efficient access to complementary FX Futures liquidity in spot FX terms

Access >\$90B ADV of firm,
anonymous FX Futures
liquidity in spot terms

Interact with over 1,100 FX
Futures participants,
diversifying eFX risk
management channels

Leading firm liquidity in
GBP, AUD, NZD, CAD,
MXN alongside traditional
EBS Market core pairs

Achieve greater price
flexibility than other CLOB
venues for managing
passive interest

Aggregate FX Futures
liquidity into existing eFX
risk management without
residual basis risk

Trade inside FX Futures
when native FX Spot+
passive interest improves
on implied Futures spreads

Even bank participants with existing access to FX Futures are seeing incremental value from access and adoption of FX Spot+

CME FX Spot+ Product Specifications - Trading via API

Currency Pair	Minimum Price Increment (pips)	Minimum Order Size	Minimum Order Increment	Maximum Order Size
EUR/USD	0.1	250,000	125,000	5,000,000
GBP/USD	0.1	250,000	62,500	5,000,000
AUD/USD	0.1	200,000	100,000	5,000,000
NZD/USD	0.1	200,000	100,000	3,000,000
USD/JPY*	0.1	200,000	100,000	5,000,000
USD/CAD*	0.1	200,000	100,000	5,000,000
USD/CHF*	0.1	250,000	250,000	3,000,000
USD/MXN*	5.0	100,000	50,000	3,000,000

Early Dec Min Order Size to 500k for all pairs, Max Order Size to 25mn for EUR, GBP, AUD, JPY, CAD, Max Order Size to 15 mn for NZD, CHF, MXN.

Navigating "Odd-Lot" Quantities and Optimising Fill Ratios in FX Spot+

Solving the Futures vs. Spot Quoting Mismatch

1. The Problem: A Convention Clash

- **FX Futures:** Quoted as Foreign Currency / USD (e.g., CAD/USD)
- **FX Spot+:** Quoted as USD / Foreign Currency (e.g., USD/CAD)

2. Our Solution: Automatic Quote Inversion

- The Spot+ engine automatically inverts the futures price to match the spot market's format, ensuring seamless translation.

3. The Result: Precise, Unrounded ("Odd-Lot") Trades

- Converting a standard futures trade ("round-lot") creates a highly precise, unrounded quantity in the spot market.

Example: From a Standard Future to a Precise Spot Trade

- **Futures Trade:** 53 Contracts of CAD (a standard "round-lot")
- **Total Value:** 5,300,000 CAD
- **Engine Converts to:** A precise spot trade of 3,868,613 USD (an "odd-lot")

The "All-or-None" Execution Challenge

1. The Scenario: A Strict "All-or-None" Order (aka Fill and Kill with Min Qty = Order Size)

- A client places a large, round-lot order (e.g., 5,000,000 USD/CAD).
- The order has a strict condition: Fill the entire amount or cancel immediately.

2. The Conflict: Round Order vs. Precise Liquidity

- This large, round order tries to match with the precise, "odd-lot" liquidity available in the market (e.g., 3,868,613 USD/CAD).

3. The Result: Order Cancelled

- The "All-or-None" condition fails because the available amount is smaller than the order size.
- The matching engine correctly follows the instruction and cancels the entire order.

The Takeaway: Smart API Logic is the Solution

- Trading systems must be built with intelligent logic to interact effectively with this unique, precise liquidity and prevent unnecessary fully-unfilled orders.

The Solution: Allowing Partial Fills

1. The Goal: Capture All Available Liquidity

- Adapt your order logic to execute against the market's precise, non-rounded quantities.

2. The Strategy: Flexible Order Conditions

- **Best Practice:** Place your order without a minimum fill requirement.
 - *(For developers: Omit FIX Tag 110 / MinQty)*
- **Alternative:** If a minimum is needed, set it lower than your total order size.

3. Putting It Into Practice: Before vs. After

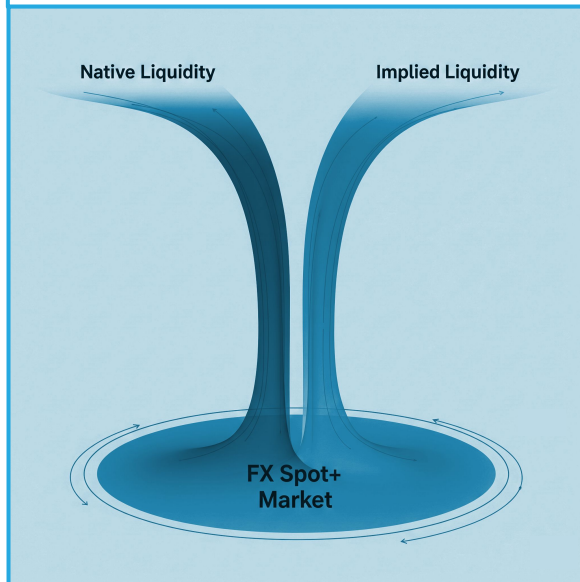
- **Scenario:** An order for 1,000,000 meets available liquidity of 949,370.
- **Before (Strict Order):** The "All-or-None" condition fails.  ORDER REJECTED 
- **After (Flexible Order):** The order partially fills for 949,370.  SUCCESSFUL EXECUTION 

The Bottom Line: This simple change turns a potential rejection into a successful trade.

The Mechanics of Implied Liquidity and Passive Trading in a Hybrid CLOB

Our Unique Advantage: A Hybrid Liquidity Pool and Posting Resting Interest

FX Spot+ combines two distinct liquidity sources into a single, deeper market.



A Powerful Interaction: Resting spot orders represented in FX futures

- Our engine allows futures and spot traders to interact seamlessly in one order book - in all directions.
- Resting FX Spot+ orders combine with FX Link to rest FX futures - allowing futures participants to aggress on ultimately spot liquidity.
- **The Benefit:** More liquidity means more opportunities for your order to be filled against new and diverse counterparties.

**The Result: A Significant Volume Boost ~20%
of all volume on FX Spot+ comes from this unique hybrid interaction.**

How Futures and FX Link Activity Fills Spot Orders

This process shows how your resting spot order can be filled by a futures trader.

Step 1: Your Spot Order Rests in the Book

- You place a standard bid or offer in the FX Spot+ Market.

Step 2: An "Implied" Order is Created in the Futures and FX Link Market

- Our engine automatically shows your order as an available quantity in the FX Futures Market.

Step 3: A Futures Trader Executes Against Your Order

- A trader in the futures market sees and trades against your implied order.

The Result: An Instant & Seamless Spot Fill

- This futures trade **instantly fills** your original spot order.
- **For you:** It's a normal, passive fill. There is **no change** to your settlement process.