Cboe FX to Launch Central Limit Order Book for FX Market

- Cboe FX Central, a new central limit order book, aims to bring competition and innovation to the FX "primary" markets
- Cboe FX Central brings to market a unique market model designed to incentivize and democratize FX liquidity provision and market data
- Cboe FX Central scheduled to launch on Monday, June 29, 2020

LONDON – 25 June 2020 – Cboe FX Markets, a Cboe Global Markets, Inc. (Cboe: CBOE) company and a leading platform for institutional foreign exchange (FX) trading globally, today announced plans to launch Cboe FX Central, a new central limit order book (CLOB) designed to bring competition and innovation to the FX market.

Cboe FX Central is designed to be an all-to-all market in which all liquidity in the order book is firm, meaning it is instantly executable by all clients. The new order book is scheduled to launch on June 29, 2020 and will offer trading in the most actively traded pairs in the spot FX market: EUR/USD, USD/JPY, GBP/USD, AUD/USD, USD/CAD, USD/CHF, USD/CNH.

"We believe there is a unique opportunity to improve upon the two central limit order books that currently exist in the FX market by providing a new central limit order book built on great technology and a unique market model designed to incentivize and democratize FX liquidity provision and market data," said Bryan Harkins, Head of Markets at Cboe Global Markets.

Cboe FX Central builds on the traditional CLOB model, recognizing the value contributed by liquidity providers (LPs) by rewarding them with faster market data when their liquidity is at or close to the best bid or offer (BBO), creating a deeper order book, which in turn benefits liquidity takers. Cboe FX Central market data will be available at three different speeds (real-time, 3 millisecond delay, 10 millisecond delay) and the speed at which market data is delivered is determined by where the LP's liquidity is relative to the Cboe FX Central BBO.

"With no average daily volume requirements, Cboe FX Central provides a more democratic model to access real-time data than the current primary markets where real-time data is provided to those that execute a certain monthly volume threshold. Any market participant on Cboe FX Central, regardless of the size or volume of its trading activity, is able to earn faster market data on Cboe FX Central on an order-by-order basis," said Jonathan Weinberg, Head of Cboe FX. "Additionally, this model incentivizes liquidity providers to improve the quality and depth of our order book, benefitting all market participants by their receiving better prices for their orders."

The order matching mechanics of Cboe FX Central are consistent with other central limit order books in the FX market. All orders in the book are subject to a minimum quote life of 25 milliseconds and orders are executed on a price (displayed then hidden) / time priority.

With the launch of Cboe FX Central, Cboe FX now offers a comprehensive suite of trading services to meet the diverse needs of the FX trading community, covering all manners of how clients interact in the market. These include a firm order book (Cboe FX Central), sweepable order book with curated firm and non-firm liquidity (ECN), and full amount trading which provides clients with a solution for larger order risk transference with low market impact (Full Amount).

Cboe FX has seen strong growth this year. In the first quarter of 2020, Cboe FX reported average daily value (ADV) traded of $43.3 billion, earning a strong quarterly market share of 15.7%. In May 2020, Cboe FX reported record market share of 17.3%, surpassing the previous record of 16.6% set in December 2019.

For additional information on Cboe FX Central, please contact the Cboe FX sales team at fxsales@cboe.com.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE) is one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. The company is committed to defining markets to benefit its participants and drive the global marketplace forward through product innovation, leading edge technology and seamless trading solutions.

The company offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S. and European equities, exchange-traded products (ETPs), global foreign exchange (FX) and volatility products based on the Cboe Volatility Index (VIX Index), recognized as the world's premier gauge of U.S. equity market volatility.

Cboe's subsidiaries include the largest options exchange and the third largest stock exchange operator in the U.S. In addition, the company operates one of the largest stock exchanges by value traded in Europe and is a leading market globally for ETP listings and trading.

The company is headquartered in Chicago with a network of domestic and global offices across the Americas, Europe and Asia, including main hubs in New York, London, Kansas City and Amsterdam. For more information, visit www.cboe.com.

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