

Cboe Global Markets Launches 1-Day Volatility Index, Designed to Measure Volatility Over Current Trading Day

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- Cboe 1-Day Volatility IndexSM (VIX1DSM) further expands Cboe's volatility index suite
- New index designed to reflect the current day's expected market volatility
- Cboe marks 30th anniversary of VIX Index launch in April 1993

CHICAGO, April 24, 2023 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), the world's leading derivatives and securities exchange network, today announced the launch of the Cboe 1-Day Volatility Index (VIX1D).

Developed by Cboe Labs, the company's in-house innovation hub, the VIX1D Index seeks to measure the expected volatility of the S&P 500[®] Index over the current trading day (today); in other words, single trading day volatility. Similar to the Cboe Volatility Index[®] (VIX[®] Index), the VIX1D Index estimates expected volatility by aggregating the weighted prices of P.M.-settled SPX (SPXW) options with one- to zero- day expirations over a wide range of strike prices. Specifically, the prices used to calculate VIX1D Index values are midpoints of real-time, SPXW option bid/ask price quotations.

"For decades, market participants looking to understand, measure and manage volatility have turned to Cboe. We are committed to continuing to innovate in the volatility space and we believe the VIX1D Index will be a complementary addition for market participants seeking to better understand current equity market volatility or as they employ different trading strategies," said Ed Tilly, Chairman of the Board and CEO of Cboe Global Markets. "The development of the VIX1D Index is another example of the strength of Cboe and S&P Dow Jones Indices' long-standing relationship, highlighting the companies' shared commitment to drive innovation through rigorous data analysis and market solutions."

Launched 30 years after the original Cboe Volatility Index[®] (VIX[®] Index) debuted in April 1993, the VIX1D Index is a natural complement to the 30-day VIX Index and Cboe's entire VIX Index suite, including the VIX 1-year, VIX 6-month, VIX 3-month and VIX 9-day Indices. The new, non-tradable 1-day volatility index is designed to provide real-time information about the expected volatility of the current trading day (today).

The VIX1D Index and the VIX Index use a similar methodology to estimate expected volatility. The VIX1D Index has been designed to account for the compressed measurement of expected volatility over a single day and differs from the VIX Index in ways to account for this. By its nature, the VIX1D Index is expected to generally behave in a more volatile manner than indices that measure a longer time horizon of expected volatility. This is because news events that affect the S&P 500 Index on a given day are expected to have a larger impact in short-dated SPX options than in longer dated options when market participants have more time to react to the news event.

For example, amid the recent collapse of two U.S. banks between March 8, 2023, and March 13, 2023, the VIX Index rose from 19.11 to 26.52 (38.8%) while the backtested VIX1D Index rose from 15.30 to 40.19 (162.7%) over this period. On days of heightened volatility, the VIX1D Index is expected to reflect short-term impacts, whereas by its design, the VIX Index is expected to continue to reflect expected volatility 30 days out.

"Cboe revolutionized investing with the creation of the VIX Index in 1993 and has been at the forefront of the volatility space ever since. As such, when we saw a market need to develop a shorter-term measurement of expected volatility, we embodied that same pioneering spirit to design the VIX1D Index," said Rob Hocking, Senior Vice President and Head of Product Innovation. "We believe the VIX1D Index will be a useful tool for the growing group of investors utilizing same-day options trading strategies to better understand the daily market dynamics."

VIX1D Index data is available on Bloomberg and other data vendors under the ticker VIX1D. Further information, including the index's methodology can be found at www.cboe.com/indices.

The VIX1D Index is the second major initiative brought to market by Cboe Labs after announcing plans to develop the Cboe S&P 500 Dispersion Index at Cboe's Risk Management Conference in October. Learn more about the company's cutting-edge innovation hub and how it brings together financial market professionals and academic experts to create solutions for real-world problems on its new webpage: www.cboe.com/labs.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), the world's leading derivatives and securities exchange network, delivers cutting-edge trading, clearing and investment solutions to people around the world. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives, FX, and digital assets, across North America, Europe and Asia Pacific. Above all, we are committed to building a trusted, inclusive global marketplace that enables people to pursue a sustainable financial future. To learn more about the Exchange for the World Stage, visit www.cboe.com.

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This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security vulnerabilities and breaches; our ability to attract and retain skilled management and other personnel, including compensation inflation; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; global expansion of operations; factors that impact the quality and integrity of our indices; our ability to manage our growth and strategic acquisitions or alliances effectively; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; the impacts of pandemics; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business and clearinghouse, including the expected benefits of our Cboe Digital acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2022 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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