



IOMA Market Survey 2009



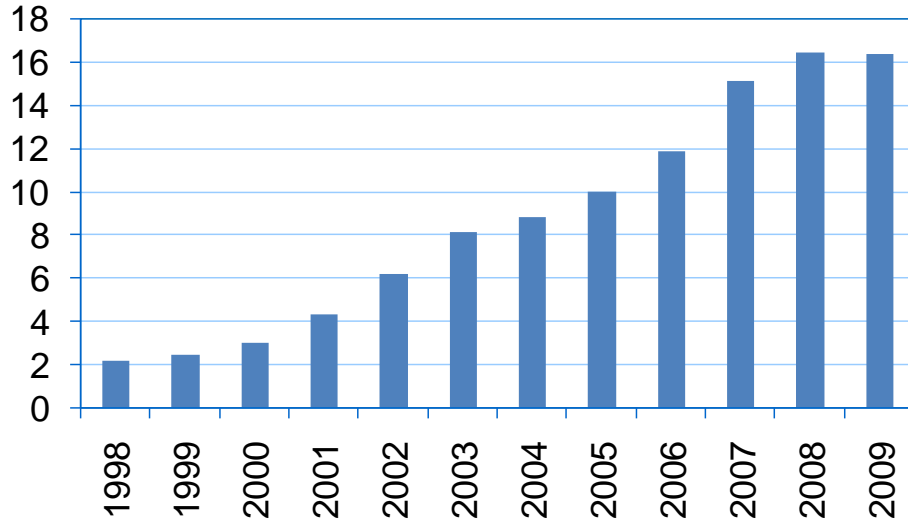
New York 18-21 April 2010

Didier Davydoff

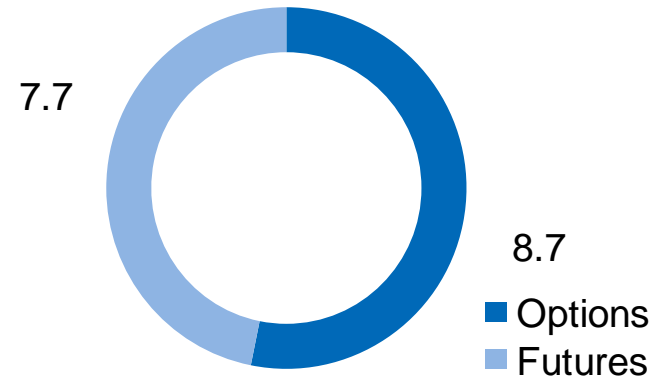
1. Overall derivatives markets activity

For the first time since 2004, volumes stopped growing

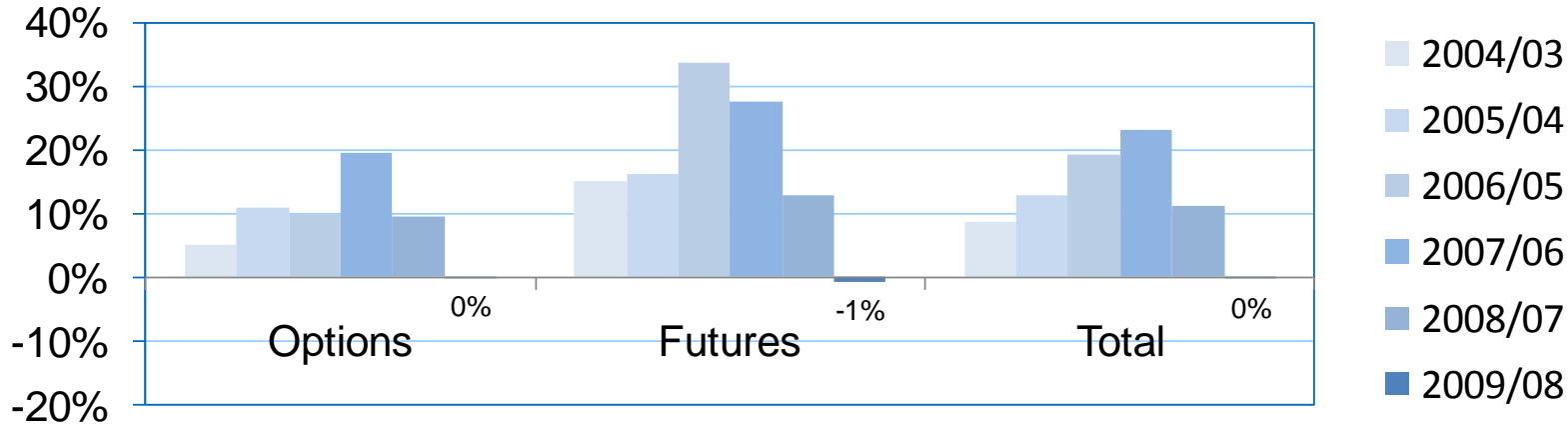
Derivatives Volume (Billions of traded contracts)



2009 Worldwide Derivatives Volume
16 Billion Contracts Trades



Derivatives Volume Growth Rate



Overall derivatives markets activity

2009		Single Stock	Stock Index	ETF	STIR	LTIR	Currency	Commodities
Millions of contracts	Options	3 374	3 869	955	397	78	37	93
	Futures	501	1 928	-	1 006	896	919	2 430
2009/08 Growth rate	Options	2%	5%	-9%	-9%	-33%	-37%	-40%
	Futures	-39%	-16%	-	-21%	-29%	74%	49%

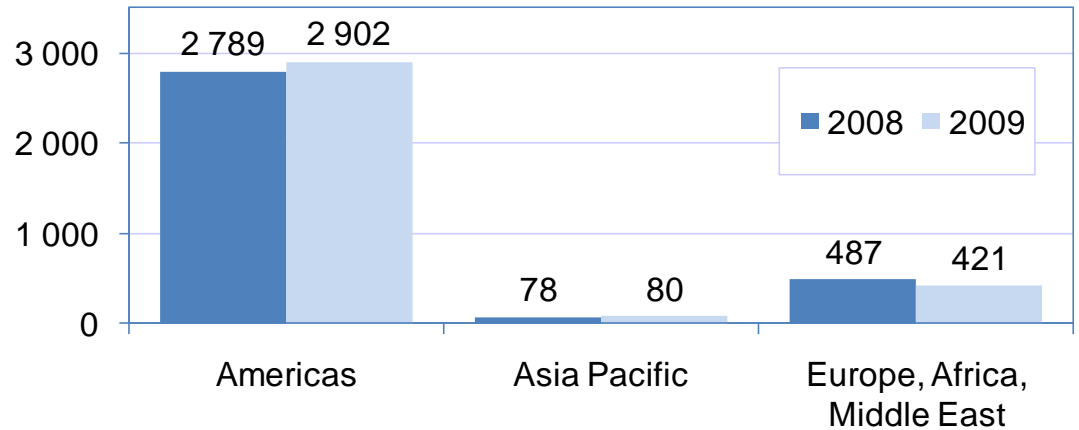
- For the first time, equity derivatives trading volumes decreased in 2009 due to a small growth rate of options and a negative growth rate of futures.
- As in 2008, negative growth rates were observed on all groups of interest rate products.
- The growth of currency derivatives was significantly stronger than in 2008 (63% against 5%).
- Commodity derivatives continue to grow rapidly. The growth rate in 2009 was 41% against 36% in 2008.

2. Equity products

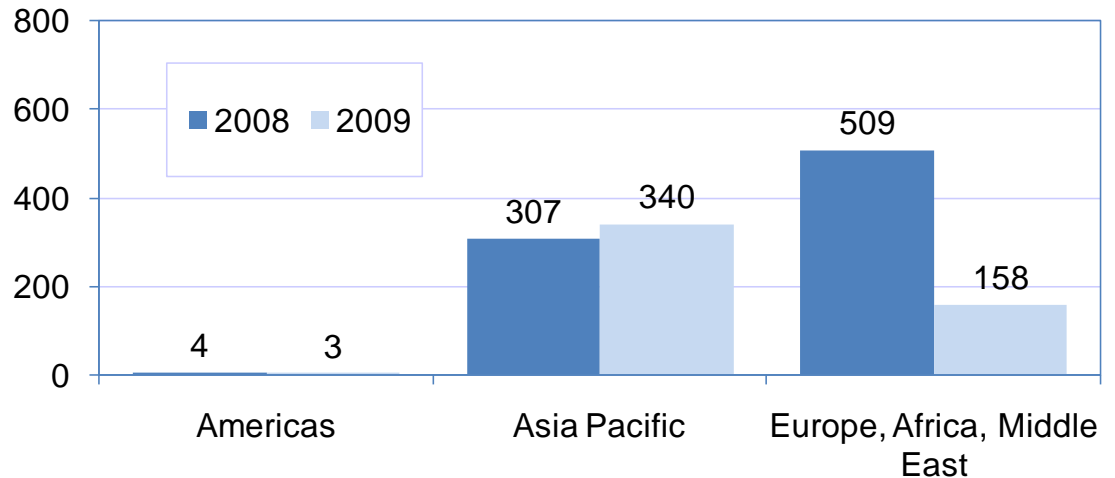
Single stock derivatives: America strengthens its leadership

- After several years of tremendous growth, volumes stopped growing.
- The United States continues to dominate the stock options market, with four of the world's five most active exchanges (ISE, CBOE, NASDAQ OMX PHLX and NYSE Arca Options).
- Petrobras and Vale options on BM&F Bovespa remain the most actively traded stock options in the world. BM&F Bovespa became the third biggest exchange in the world.
- In Europe, Spain has experienced one of the strongest growths (+94%) but in all other European exchanges volumes decreased or remained stable.

Stock options volume (Millions of traded contracts)



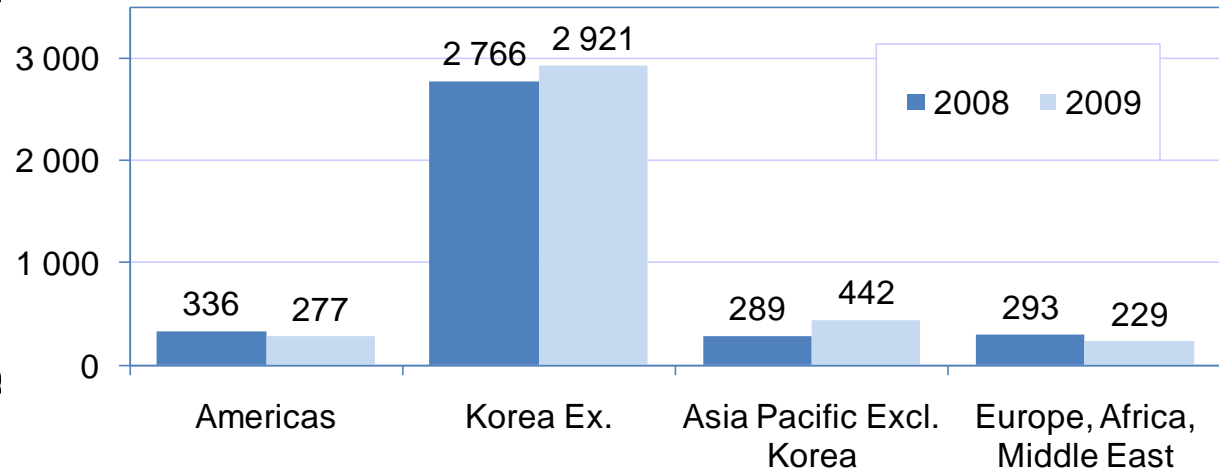
Stock futures volume (Millions of traded contracts)



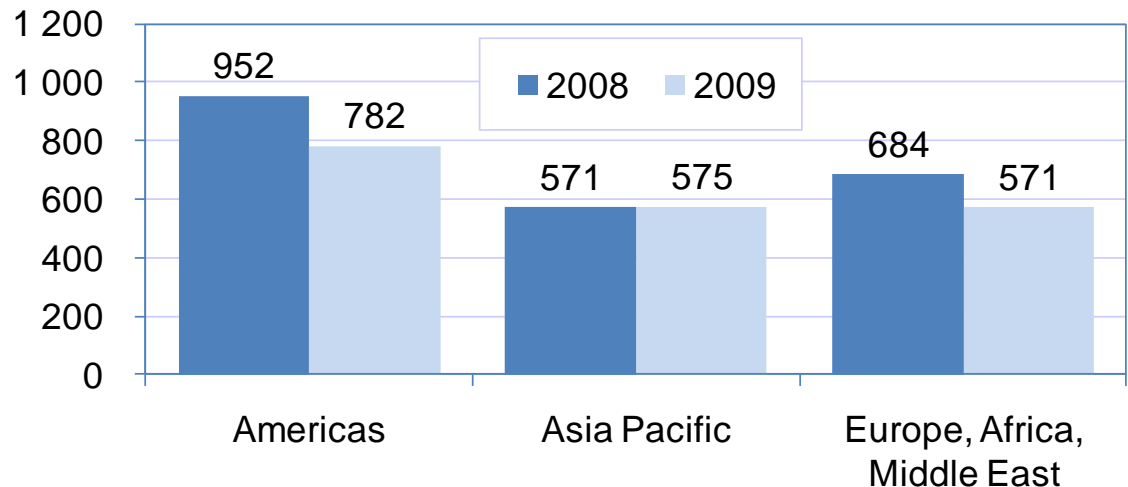
Index derivatives: Huge success of KOSPI 200 and the Nifty options

- Index options: In North America Europe and Africa, all the exchanges except Warsaw SE experienced negative growth rates, whereas Asian markets surged.
- Innovative products are still progressing, for example volatility index option (VIX) CBOE launched by CBOE in 2006.
- In Europe (Eurex and NYSE Liffe) most of the index futures are traded on-exchange (Over The Counter).

Index options volume (Millions of traded contracts)



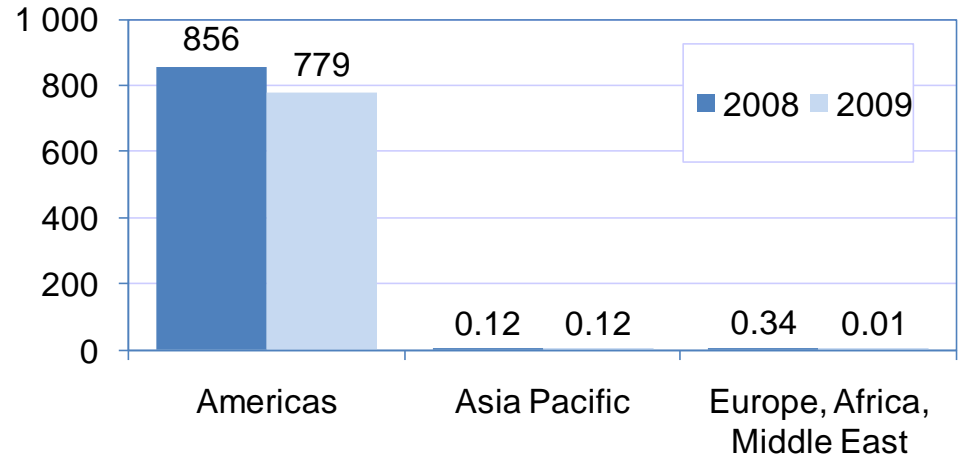
Index futures volume (Millions of traded contracts)



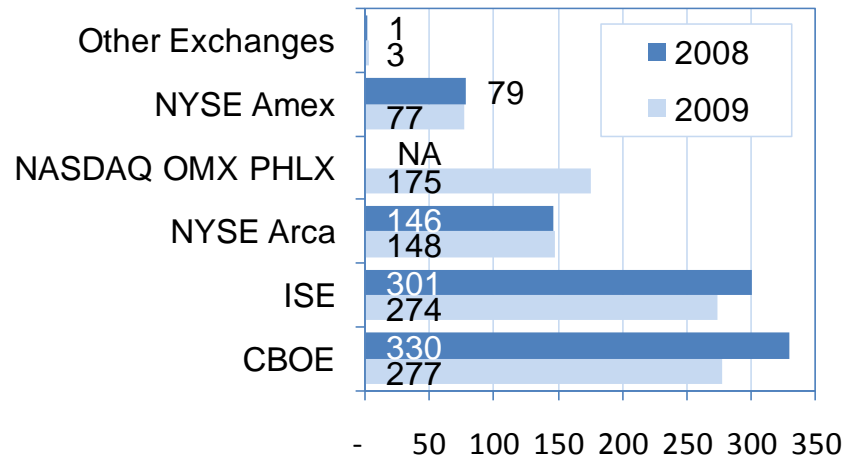
ETF options: A U.S. Market

- ETFs appeared at the beginning of the 1990s in the US, and not until ten years later in Europe.
- ETF options are smaller contracts than index options.
- The European market is still fragmented, with several issuers competing on the same product. For example, there are 32 different ETFs on the Dow Jones Euro STOXX 50 index.
- In the United States, ETF options decreased less than index options in 2009.
- NYSE Liffe, developpement via Bclear.

ETF options volume (Millions of traded contracts)



ETF options volume

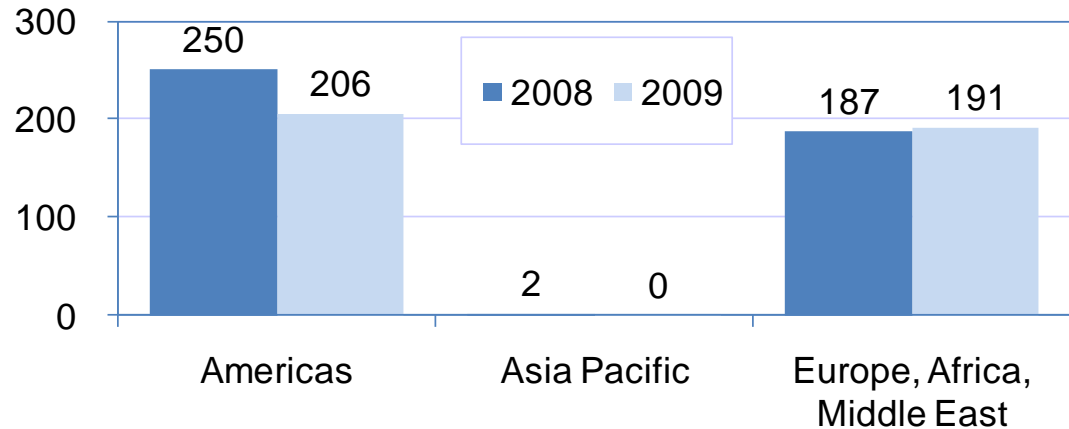


3. Interest rate products

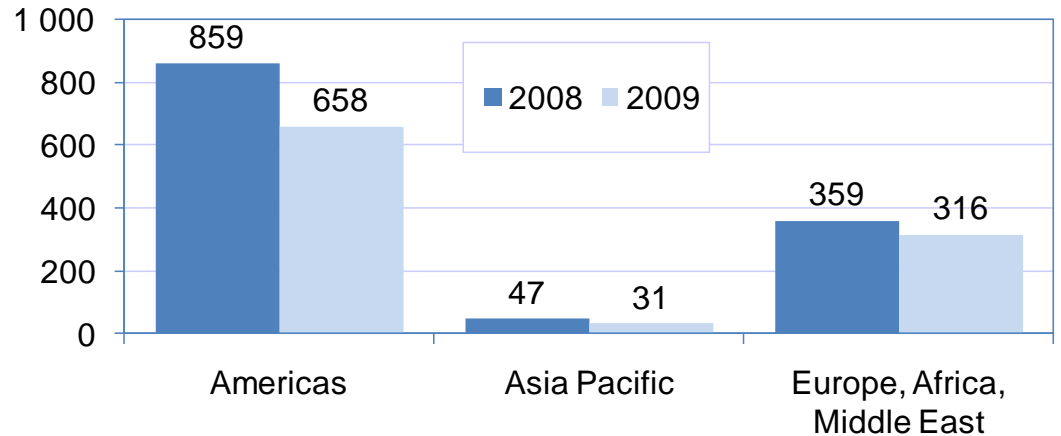
STIR derivatives: Decline

- While decline accelerated in 2009, the two largest markets showed contrasting trends: CME Group decreased sharply (-27%) whereas the contracts traded on NYSE Liffe either increased only slightly (options:+2%) or decreased to a much lesser degree (futures : -12%).
- Most trading on CME Group is concentrated on the Eurodollar futures, which remains the most active STIR contract in the world despite a fall from 597 million to 437 million contracts.
- The resistance of the NYSE Liffe options is attributable to the Three Months Euribor and Euribor Mid Curve contract, which grew by more than 20%. On the other hand, the Euribor futures declined.

STIR options volume (Millions of traded contracts)



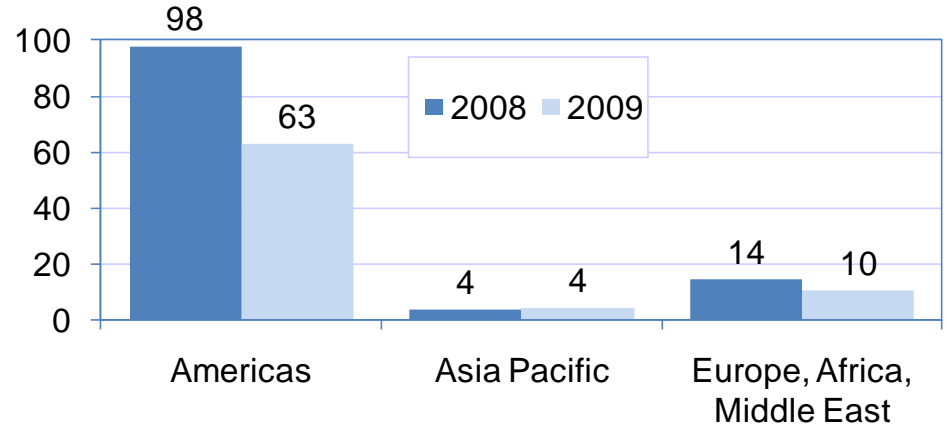
STIR futures volume (Millions of traded contracts)



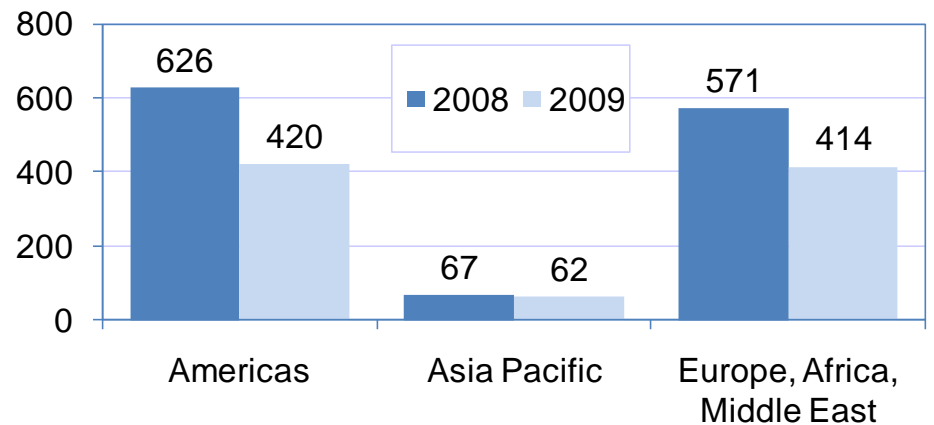
LTIR derivatives: Collapse

- The sudden increase of volatility after Lehman's collapse had a very significant impact on the liquidity of the market.
- This unfavourable trend mainly reflects the situation of the largest markets, Eurex and CME Group.
- Smaller market places grew rapidly: JSE, Nyse Liffe and ASX for options; Bursa Malaysia, Korea exchange and JSE for futures.
- EUREX and CME Group still hold an overwhelming market share for Long Term Interest Rate derivatives trading globally, amounting to 93% for options and 89% for futures.

LTIR options volume (Millions of traded contracts)



LTIR futures volume (Millions of traded contracts)

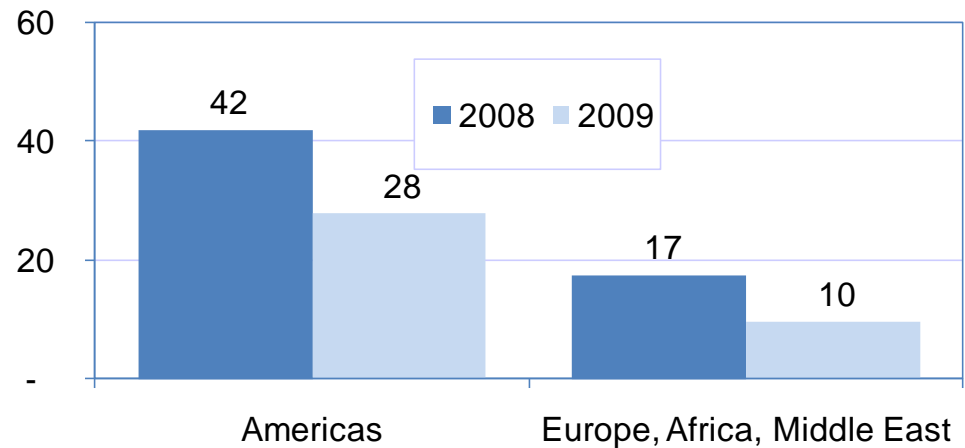


4. Currency products

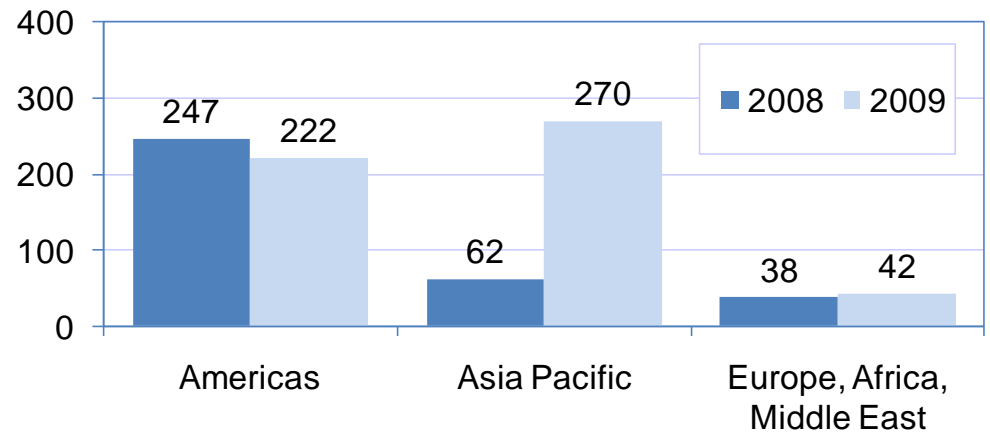
Currency derivatives: The surge of India

- National Stock Exchange of India rose at the forefront of global trading only two years after the launch of this asset class. However, the size of contracts is small in comparison to American standards.
- In terms of notional value traded, CME Group has retained its leadership, with a market share of 82% in the world.

Currency options volume (Millions of traded contracts)



Currency futures volume (Millions of traded contracts)

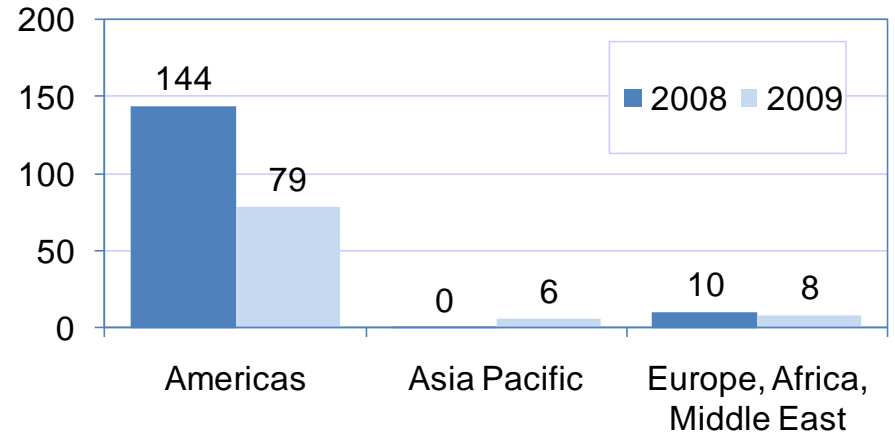


5. Commodity products

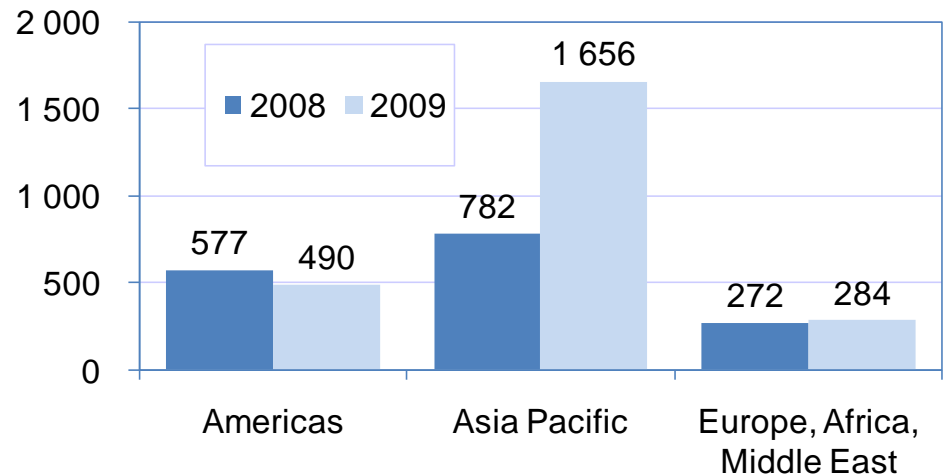
Commodity derivatives: The leap of China

- Two Chinese exchanges, the Dalian Stock Exchange and the Shanghai Futures Exchange, strongly contributed to this growth. Together, they represented more than half of global trading in commodity derivatives.
- CME Group still dominates the scene of commodity options in terms of number of trades, although trading volumes were halved on this exchange in 2009.

Commodity options volume (Millions of contracts)



Commodity futures volume (Millions of contracts)



Commodity derivatives: A different view when underlying value of trading is taken into account

Commodity options: Notional value of transactions

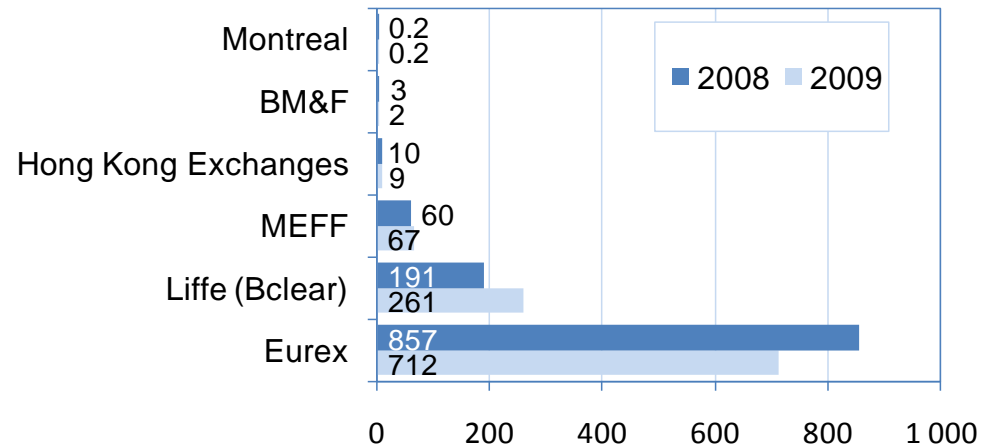
(USD Bns)

London Metal Exchange	7 022,9
CME Group	4 668,7
Zhengzhou Commodity Exchange	1 399,1
NYSE Liffe (European markets)	202,9
Bursa Malaysia	63,6
TAIFEX	38,4
Johannesburg SE	27,7
BM&FBOVESPA	22,9
Australian Securities Exchange (Inc. SFE)	8,8
Thailand Futures Exchange (TFEX)	7,7
Dalian Commodity Exchange	5,5
Hong Kong Exchanges	0,8
Eurex	0,5
Turkish Derivatives Exchange	0,4
Korea Exchange	0,1
Budapest SE	0,1

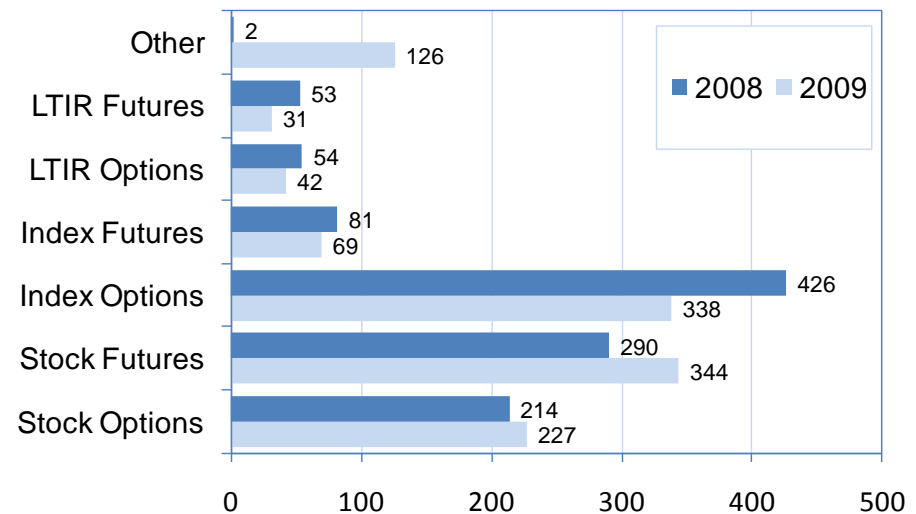
Processing of OTC trades

- The wholesale facility of Eurex leads the market as it records more single stock options OTC than on-exchange. Three times more index options are recorded OTC than on-exchange.
- Nyse Liffe's biggest segment are single stock futures (99% of total contracts recorded by this exchange).

OTC contracts volume processed (millions)



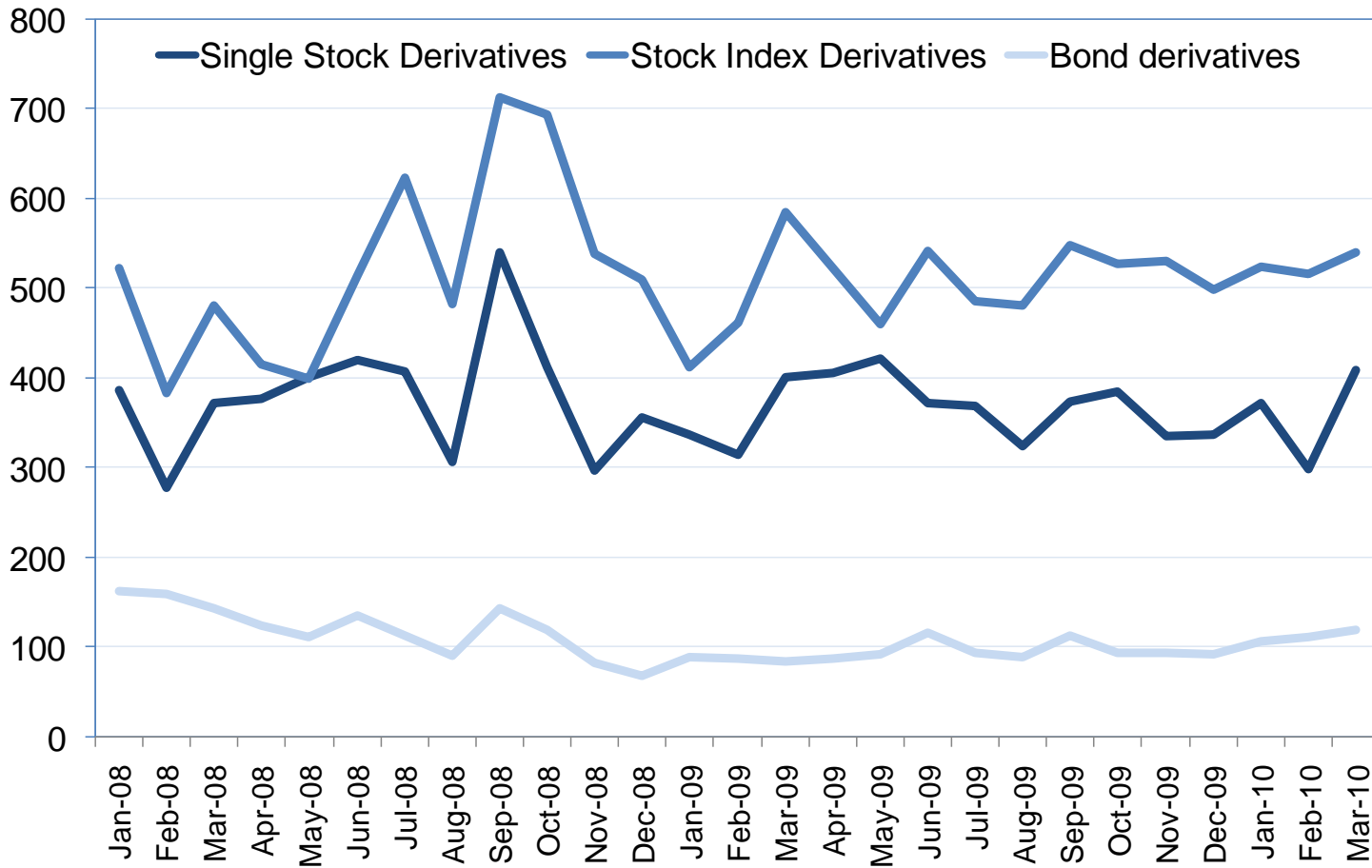
OTC contracts volume processed (millions)



6. Concluding remark

Are we out of the crisis ?

- No clear recovery was observed during the first quarter of 2010.



Thank you
