

Global Clearing

G. H. Financials Quarterly Newsletter

Issue: #1 | July 2014

Welcome to G.H. Financials

Welcome to the 1st edition of the G. H. Financials quarterly newsletter. This newsletter will provide you with updates on the major developments within the company over the past quarter as well as providing information on major events taking place in the months to come.

Thank you for listening

Mark Ibbotson - CEO G. H. Financials



When discussing ideas for the content of this newsletter, we wanted to make sure it would be interesting to existing clients of G. H. Financials and to prospective clients also. Our team's priority is to provide excellent customer service, but we felt the newsletter would be a good way to provide short bursts of information about what's making the headlines within G. H. Financials, so we hope you find it interesting to existing clients of G. H. Financials and to prospective clients and others interested in our growth.

I've been CEO of G. H. Financials for less than one year. It is exciting to be here and I was delighted to join such a professional team who enjoy what they do and understand the importance of customer service. We aim to be the best we can be, and we're an ambitious firm with plans to grow.

Last year our cleared volumes grew by nearly 40% and we're working hard to make sure 2014 is equally successful. While the first quarter of 2014 was very busy, with strong cleared volumes in STIRs and energy products, the second quarter has been more challenging with volatility continuing to fall and volumes declining across many major derivatives markets.

Meanwhile, far from standing still, we've been busy expanding our client base globally and expanding the range of services we can offer – we believe our recent investments will stand us in good stead when there is (hopefully) a pick-up in market activity during the second half of the year. If so, we are anticipating another very busy year! Thank you for your interest in G. H. Financials.

MEMBERSHIP NEWS

CME Europe

G. H. Financials Limited became a General Clearing Member of CME Europe in May and was operationally ready and cleared business on this new European exchange on its opening day.

The company held a joint event with CME Europe at its new offices at 29 Ludgate Hill where details of G. H. Financials Clearing and Market Access solutions were provided by Mark Phelps, Global Head of Sales and Marketing.

Read more at: www.ghfinancials.com/news/cmeeurope

DME

G. H. Financials became a Clearing Member of Dubai Mercantile Exchange (DME), the Middle East's premier international energy futures and commodities exchange.

G. H. Financials is now able to offer our clients access to the world's leading energy contracts on Nymex, ICE Europe and DME.

Read more at: www.ghfinancials.com/news/dme

EXCHANGE FOCUS

CME Group Fedwatch Tool - Helps Track Expectation for a Target Fed Fund Rate Hike

Futures markets serve as a valuable source of price discovery. The prices of CME 30-Day Fed Fund futures, for example, are a direct reflection of collective marketplace insight regarding the future course of Fed monetary policy and when it will raise the Fed Fund rate which has been at a historic low since 2008.

The CME Group FedWatch tool – available at www.cmegroup.com/fedwatch - provides users with an explicit interpretation of Fed Fund futures prices. The tool calculates the probability of where the spot Fed Funds rate may be at the end of a month in which a future FOMC meeting is scheduled - based on trading in the relevant Fed Fund futures contract month.

Activity is rapidly heating up again in the Fed Fund contracts, which traded 20,000 contracts per day in the last two years, but averaged nearly 58,500 per day for the week ended July 11 - including 103,751 contracts on July 10. Track the valuable insights of that these contracts provide - and gain insight on emerging trading opportunities represented by them – with CME Group's FedWatch tool.



Read more at: www.cmegroup.com/trading/interest-rates/fed-funds.html

NEWS

Our new home in London

In April 2014, G. H. Financials Limited moved from its home of 20 years to its new home at 29 Ludgate Hill, just down from St Pauls Cathedral in central London. The company had been based at Vintners Place since 1993 but recently moved to accommodate the growth of the business and its plans for expansion in the coming years.



Read more at: www.ghfinancials.com/location/london

G. H. Financials Sponsors FOW Proprietary Trading Guide

G. H. Financials is pleased to be sponsoring FOW's guide to starting out in the proprietary trading business. Proprietary trading represents an important part of the global futures and options market and one which G. H. Financials has strongly supported by working in partnership with our clients to deliver bespoke cost-effective global clearing solutions.

Our Business Start-Up Assistance Service recognises the challenges faced by start-up businesses and is just one example of our support for this important sector of the market.

The guide can be downloaded from our website at:
www.ghfinancials.com/fow-prop-guide



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enquiries@ghfinancials.com
www.ghfinancials.com

TECHNOLOGY

ORC selected as Options ISV partner

G. H. Financials selected Orc's Electronic Execution solution to support our expansion into the options clearing business globally. Orc enables G. H. Financials to provide our clients with low latency market access with advanced pre-trade risk management.

Orc's comprehensive Electronic Execution solutions meet G. H. Financials requirements for performance and control, while reducing operational risks. The selection also rests on Orc's global strength, including the ability to deliver high-end solutions and services in all major financial centres.

Read more at: www.ghfinancials.com/orc-isv

EVENTS

Joint event with Eurex Exchange - details coming shortly

G. H. Financials and Eurex - the Home of the European Yield Curve - will inform you on the value of cross-margining all Eurex Fixed Income including its Three-Month EURIBOR Futures and the Options on Three-Month EURIBOR Futures on Eurex Exchange. We will be publishing details on this event in Chicago (planned for late August/early September) shortly.

If you want to be notified about this event when it is confirmed, please contact Stephanie Young:
stephanie.young@ghfinancials.com

FIND OUT MORE

If you want to find out more about any of the items covered in this newsletter, or find out how G. H. Financials could help your business, please get in touch with us:

Email: enquiries@ghfinancials.com
Our contact form: www.ghfinancials.com/contact

London:
t: +44 (0)20 7653 6409

Chicago:
t: +1 312 544 0316 ext 2102

Hong Kong
t: +852 5808 0324 ext. 2201



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enquiries@ghfinancials.com
www.ghfinancials.com

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