

Global Clearing

G. H. Financials Quarterly Newsletter

Issue: #2 | October 2014

The global exchange-traded derivatives market place is one of the most dynamic markets in the world. G. H. Financials quarterly Newsletter – “Global Clearing” – aims to give our clients an overview and insight into how G. H. Financials is leading from the front in adapting to an ever-changing market landscape in order to give our clients market-leading service and support in their trading activities.

An introduction from Hong Kong

Peter Lovell - CEO G. H. Financials (Hong Kong) Ltd.

We are very excited to be able to announce in this our second newsletter that G. H. Financials has been accepted as a General Clearing Member (“GCM”) of Eurex. This is a significant step in our development, further expanding the service solutions that we offer our clients, and means that we are now able to provide clearing facilities for Non-Clearing Members (“NCM”s) of Eurex.

Hong Kong - a commitment to Asia-Pacific

It has been a year since I relocated from London to Hong Kong, showing commitment to growing our business globally, and more particularly in the Asia Pacific region (“APAC”). Hong Kong is not just a gateway into mainland China, though that is undoubtedly one of its major advantages and attractions, it is also geographically well placed for the whole of APAC, with Tokyo four and a half hours to the north and Singapore three and a half hours south. Although, as I write, there are some political uncertainties, Hong Kong also benefits from a familiar language and legal systems.

We already have clients in the region, and this number is growing. We provide services into all the major regional exchanges, as well as access to the major European and North American markets, facilitating client flows in all directions: APAC clients to the Western markets and vice versa.

Unlike Europe and North America, APAC has a variety of jurisdictions, regulators, exchanges, clearing houses, and currencies. There is no single financial services centre dominating, with competition from the capital cities of all the major regional nations plus Shanghai and Singapore. This diversity creates its own challenges but also provides us with a wide opportunity as we expand our service offering and client base.



MEMBERSHIP NEWS

G. H. Financials Becomes General Clearing Member of Eurex Clearing

G. H. Financials has secured General Clearing Membership (GCM) status with Eurex Clearing.

Eurex is one of the world’s leading derivatives exchanges and has a proven track record of growth, innovation and efficiency. The granting of the GCM licence means that G. H. Financials can now extend our Eurex Clearing services for existing clients as well as welcome new clients, including Non Clearing Members of Eurex.

Read more at: www.ghfinancials.com/more/news/ghf-general-clearing-member-eurex-clearing

EXCHANGE FOCUS

New CME Eurodollar Bundle Futures and Options Offer Simple Ways to Trade a Eurodollar Strip as a Single Instrument

On September 22, CME Group launched Eurodollar Bundle futures and options, offering exciting new ways to trade long-dated Eurodollar exposure linked to the world's deepest futures liquidity pool.

Designed to complement existing CME Group interest rate products, the initial listing consists of 2-year, 3-Year, and 5-year Bundle futures and simultaneously listed options.

Bundle options provide a similar trading structure to what is currently used in the OTC markets. With Bundle futures and options, clients also have an opportunity to reduce the number of line items, notional outstanding and capital requirements needed to trade the comparable exposure, with these benefits:

- **Operational simplicity:** Long-term LIBOR exposure managed as one line item, with a notional value of \$1 million, offering easy execution
- **Liquidity of Eurodollars:** Physically deliverable into Eurodollar futures, supported by committed market makers also active in the Eurodollar and Bundle markets
- **Capital efficiency:** Efficient margin treatment due to single-line-item nature
- **Simple, transparent average pricing:** Allowing the ability to associate with yield levels
- **Options:** Offers an efficient alternative to OTC bilateral products

Dedicated market makers are providing robust support, quoting bid/ask spreads as tight as a half basis point wide across all three tenors in the first week of trading.

For a comprehensive kit that includes initial listings, vendor symbols, block thresholds and more, download CME Group's Bundle futures and options toolkit.

Read more at: www.cmegroup.com/bundlefutures

NEWS

G. H. Financials - #1 Clearer on Financial and Equity products NYSE LIFFE

CHICAGO - August 20, 2014 - G. H. Financials is pleased to announce that in the month of July, it was the largest clearing and executing member on NYSE LIFFE for all Financial and Equity products. G. H. Financials has consistently been one of the top clearers on NYSE LIFFE and provides clearing, settlement and market access services to the world's leading derivatives exchanges.

Read more at: www.ghfinancials.com/more/news/ghf-number-one-clearer-liffe-aug/

G. H. Financials Selects Imagine Software To Enhance Risk Management Capabilities

NEW YORK - July 24, 2014 - G. H. Financials Limited has selected Imagine's real-time, cloud-based service to enhance its global Futures and Options clearing service. As a top-ranked global provider of order-routing, clearing and settlement services to the derivatives market, G. H. Financials Limited will use Imagine Software to provide its clients with improved risk analytics, stress testing, VaR and correlation margin calculations.

Read more at: www.ghfinancials.com/more/news/ghf-imagine-risk-management



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EVENTS: Q3 2014

Joint events with Eurex Clearing

London / Chicago / Hong Kong: September, October, 2014

CHICAGO/LONDON/HONG KONG - September, October 2014 - G. H. Financials and Eurex held joint networking events in Chicago, London and Hong Kong to discuss the value of cross-margining all the fixed income derivatives at Eurex Exchange including their Three-Month EURIBOR Futures and the Options on Three-Month EURIBOR Futures. These events also celebrated G. H. Financials' upgrade of membership to a GCM (General Clearing Member).

Nasdaq Opening Bell Ceremony

New York: October 15, 2014

To celebrate G. H. Financials clearing membership of Nasdaq, G. H. Financials opened the Nasdaq market in its Opening Bell Ceremony on 15 October 2014.

You can watch a video of the ceremony on our website:

www.ghfinancials.com/more/news/nasdaq/

EVENTS: Q4 2014

FIA Expo 2014

Chicago: November 5-6, 2014

G. H. Financials will once again be participating in the world's largest listed-derivatives event of the year - the FIA Futures and Options Expo 2014 in Chicago.

If you're in town, please visit our booth (#318) and join us for coffee. We will be networking with old and new clients alike and showcasing what we can offer market participants in the listed derivatives market.

To find out more, please contact:

stephanie.young@ghfinancials.com

NETWORKING

If you would like to meet G. H. Financials we will be in the following locations during Q4 2014.

Hong Kong

October 20-24, 2014

Mark Phelps, Global Head of Marketing and Sales, will be visiting our Hong Kong office for the week beginning October 20, 2014.

Mark Phelps: mark.phelps@ghfinancials.com

Hong Kong & Shanghai

October 27 - November 2, 2014

Steve Martin, Chief Operations Officer and **Gemma Lloyd, Head of Client Services**, will be visiting our Hong Kong office on October 27-29, then going onwards to Shanghai for October 30 - November 02.

Steve Martin: steve.g.martin@ghfinancials.com

Gemma Lloyd: gemma.lloyd@ghfinancials.com



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Singapore

The 10th FIA Asia Derivatives Conference

December 3-5, 2014

Peter Lovell, CEO G. H. Financials (Hong Kong) Ltd, Sharon Shi Ning, Managing Director G. H. Financials (Hong Kong) Ltd. and **Steve Martin** will be attending FIA's leading derivatives conference for the Asia Pacific region.

Peter Lovell: peter.lovell@ghfinancials.com
Sharon Shi Ning: shi.ning@ghfinancials.com
Steve G. Martin: steve.g.martin@ghfinancials.com

Shenzen

The 10th China (Shenzhen) International Derivatives Forum

December, 2014

Peter Lovell and **Sharon Shi-Ning** will be attending both days of this prestigious event which is one of the regions foremost capital market forums.

Peter Lovell: peter.lovell@ghfinancials.com
Sharon Shi Ning: shi.ning@ghfinancials.com

The above is only a summary of the business trips G. H. Financials makes. We are constantly arranging new trips to all the key financial centres of the world. If your region isn't listed above, chances are we will be in your region soon - so please do get in touch.

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:

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