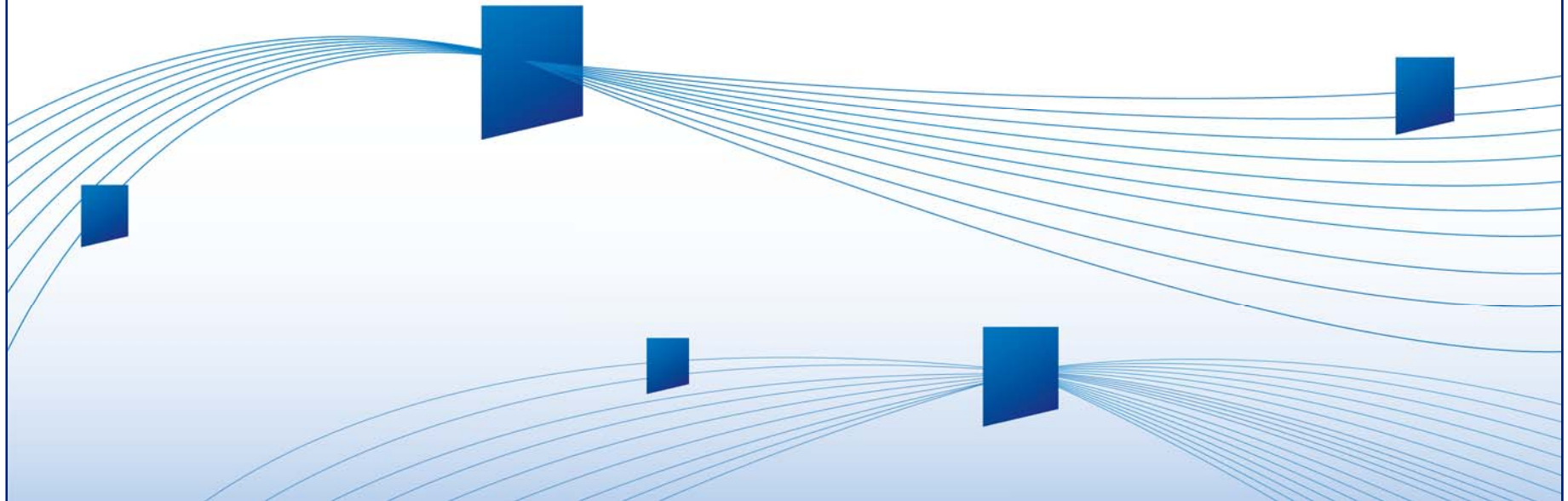




Mini Gold and Mini Silver Futures

Interactive Brokers
July 2010

NYSE Liffe US Mini Gold and Mini Silver Futures – The Right Sized Precious Metals Contracts



Agenda

1. NYSE Liffe US Introduction
2. Mini Gold and Mini Silver Futures
3. Opportunities
4. Summary

1. NYSE Liffe US Introduction



NYSE Liffe US: NYSE Euronext's US futures exchange



- NYSE Liffe U.S.
 - NYSE Euronext's U.S. futures exchange
 - Part of the world's leading exchange group
 - Leveraging the brand, distribution, and technology of NYSE Euronext
 - Bringing capital efficiencies to the Fixed Income markets with our new clearinghouse, NYPC
 - Partnering with leading market participants



Morgan Stanley



2. Mini Gold and Mini Silver Futures

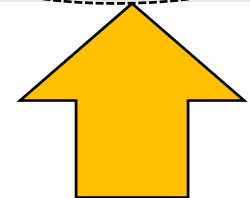
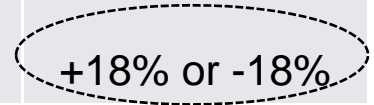


Precious Metals Futures

- Capital efficient compared to other investment choices

Choices	Ways to get Exposure to Gold Prices with \$1890	Comment	Exposure if Gold Prices Move \$10	Return (can be + or -)
Physical	1.5 oz	Pay full price	\$15	+1% or -1%
ETF	3 oz	Borrow 50%	\$30	+2% or -2%
Coins	1 ¼ oz	Numismatic premium	\$12.5	+1% or -1%
Futures	33.2 oz	1 contract	\$332	+18% or -18%

- Transparency
- Less credit risk

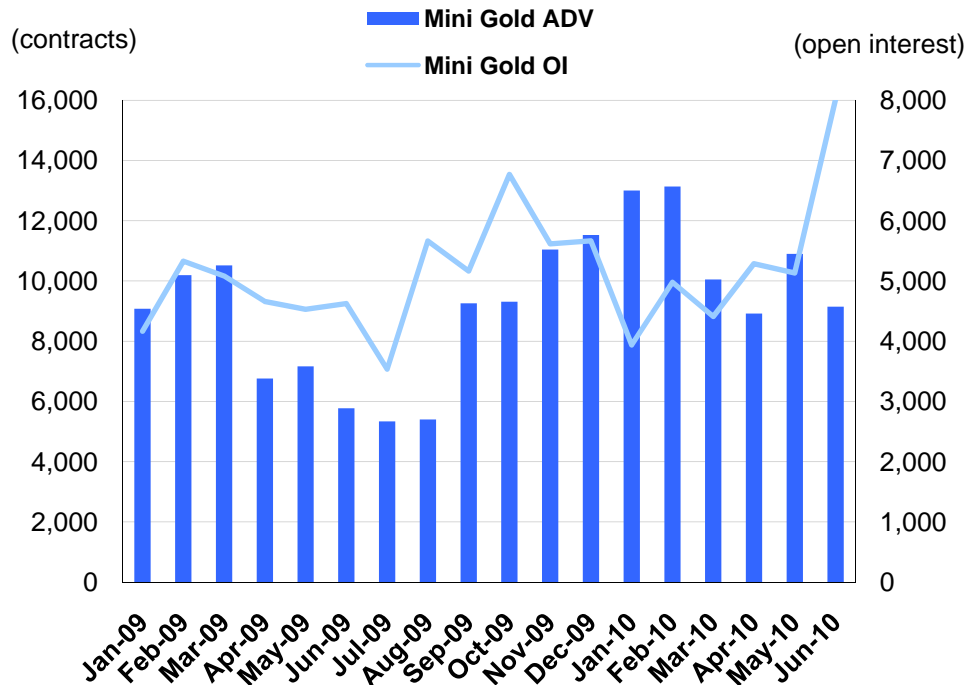


Price action: Mini gold futures



Mini Gold (YG)

Average Daily Volume & Open Interest Jan 2009 - Present



YG Fact Sheet

Contract size: 33.2 troy ounces

Tick size: \$0.10 per oz., \$3.32/contract

Contract months: Current month & next 11

Most active at the moment: August

Delivery: One Warehouse Depository Receipt representing 1/3 interest in a gold vault receipt. Gold receipt is backed by either one 100 oz. bar or 3 kilo bars with 99.5% minimum fineness. Gold stored in New York at: HSBC, Bank of Nova Scotia, Brinks, MTB

Initial Margin: \$1,890

Maintenance: \$1,400

Exchange fee: \$0.75

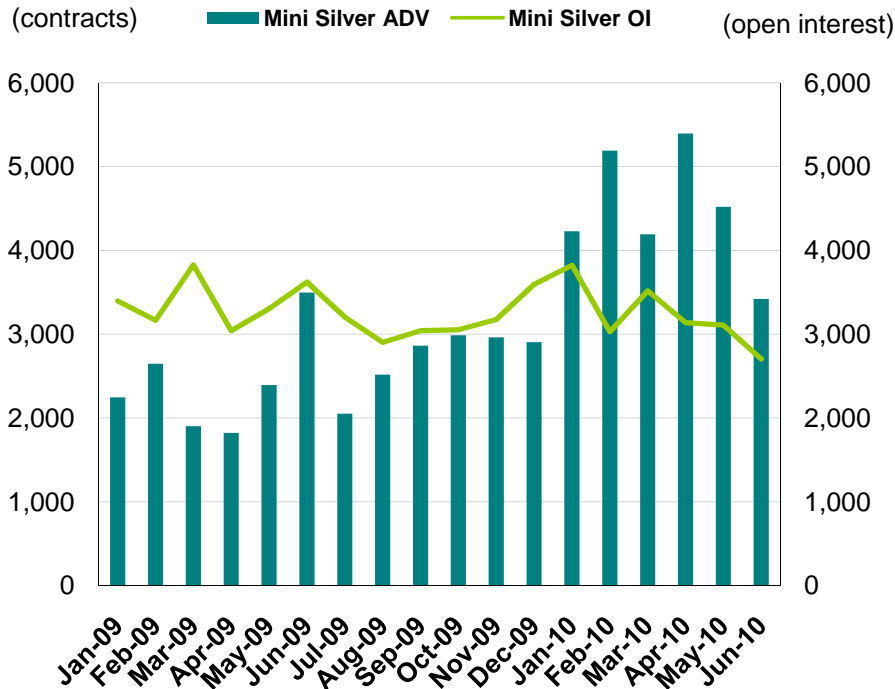
Clearing fee: \$0.06

Price action: Mini Silver futures



Mini Silver (YI)

Average Daily Volume & Open Interest Jan 2009 - Present



YI Fact Sheet

Contract size: 1,000 troy ounces

Tick size: \$0.001 per oz., \$1/contract

Contract months: Current month & next 11

Most active at the moment: August

Delivery: One Warehouse Depository Receipt representing 1/5 interest in a silver vault receipt. Silver receipt is backed by five 1000 oz. oz bars with 99.9% minimum fineness. Silver is stored in New York at: HSBC, Bank of Nova Scotia, Brinks or Delaware Depository

Initial Margin: \$1,350

Maintenance: \$1,000

Exchange fee: \$0.75

Clearing fee: \$0.06

Advantages of NYSE Liffe US Mini Gold and Silver

- The most liquid mini precious metals futures products in the U.S.
- Fully electronic using LIFFE CONNECT®
- Key attributes
 - Portfolio diversification
 - Store of value
 - Inflation hedge
 - Hedge against currency declines
 - Defence against event risk
- Backed by real metal
 - Metal stored in Exchange approved vaults
 - Removal from vault possible: take delivery of mini gold in series of 3 or mini silver in series of 5

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NYSE Liffe U.S.

Observations - Statistics - Commentary

Zelener-type frauds haunt gold, silver, platinum
www.commodityonline.com

With the US Congress amendment to Farm Bill authorizing market regulator, Commodity Futures Trading Commission (CFTC) jurisdiction over foreign currency futures and Zelener-type spot contracts, fraudsters have now moved swiftly to operating boiler rooms that offer similar contracts in precious metals such as gold, silver and platinum which are beyond CFTC's jurisdiction thus defrauding customers worth millions of dollars. Stephen Jay Obie, Acting Director of the Division of Enforcement, CFTC in a testimony before the US House of Representatives, Committee on General Farm Commodities and Risk Management on Thursday said that several court rulings related to Zelener frauds had repeatedly asserted that CFTC has no jurisdiction over currency futures or the Zelener type rolling spot contracts, however, the subsequent Congress amendment was interpreted in such a way that CFTC's jurisdiction was narrowed.

Bullion Weekly

Exclusively Sponsored by **NYSE Liffe U.S.**

Bullish

- The dollar down trend
- Potential for a equity market correction
- Investors continue to buy into ETFs

Bearish

- Prices hit resistance ahead of \$1,000
- Bond yields pick-up

Outlook

Short Term	Pull back to support	\$920
Medium Term	Move up to tackle highs at	\$1,006
Long Term	Set new highs above	\$1,050

The Price

- Improving economic sentiment triggered further investment influx into commodities last week, as reflected by the 1.9% gain in the Reuters-Jeffries CRB Index. Year-to-date the Index is up 12.4% in contrast with the S&P500 - up 4% and the DJIA - down 0.1%. The Index hit its best level since November while individual commodities hit multi-month peaks. Gold for example touched \$990/oz - its best since February 24th, while Crude Oil, grains and the majority of base metals reached their highest levels in seven-months.

Spot Gold

Range and close

- John Lothian Metals Edition Daily Newsletter provides a comprehensive aggregation of news and commentary. <http://www.jlnmetals.com/>

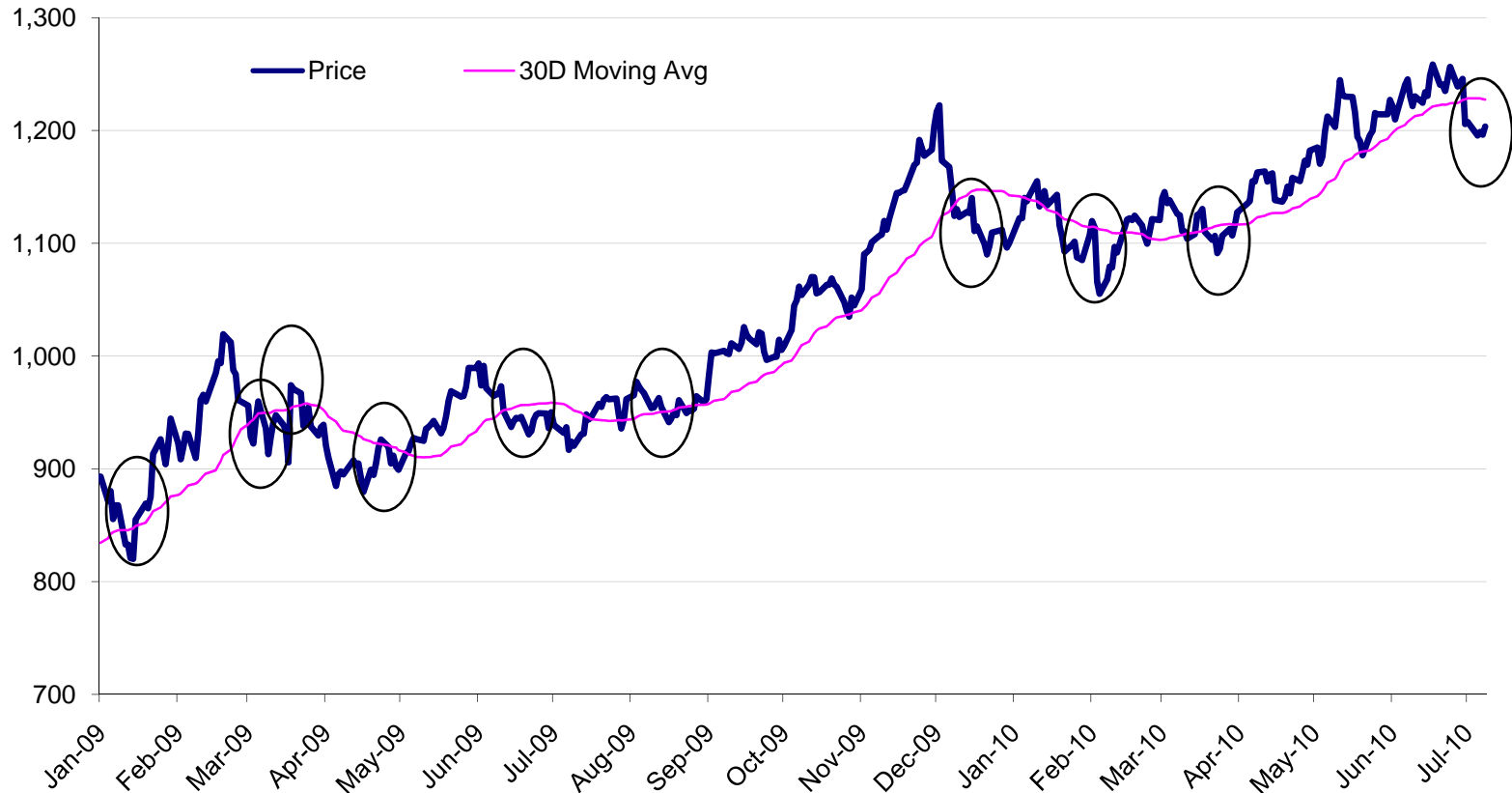
- The Bullion Weekly: thebulliondesk.com's definitive snapshot of the London over the counter gold and silver markets. <http://premium.basemetals.com/content/html/BullionWeeklyReDirect.htm>

3. Opportunities



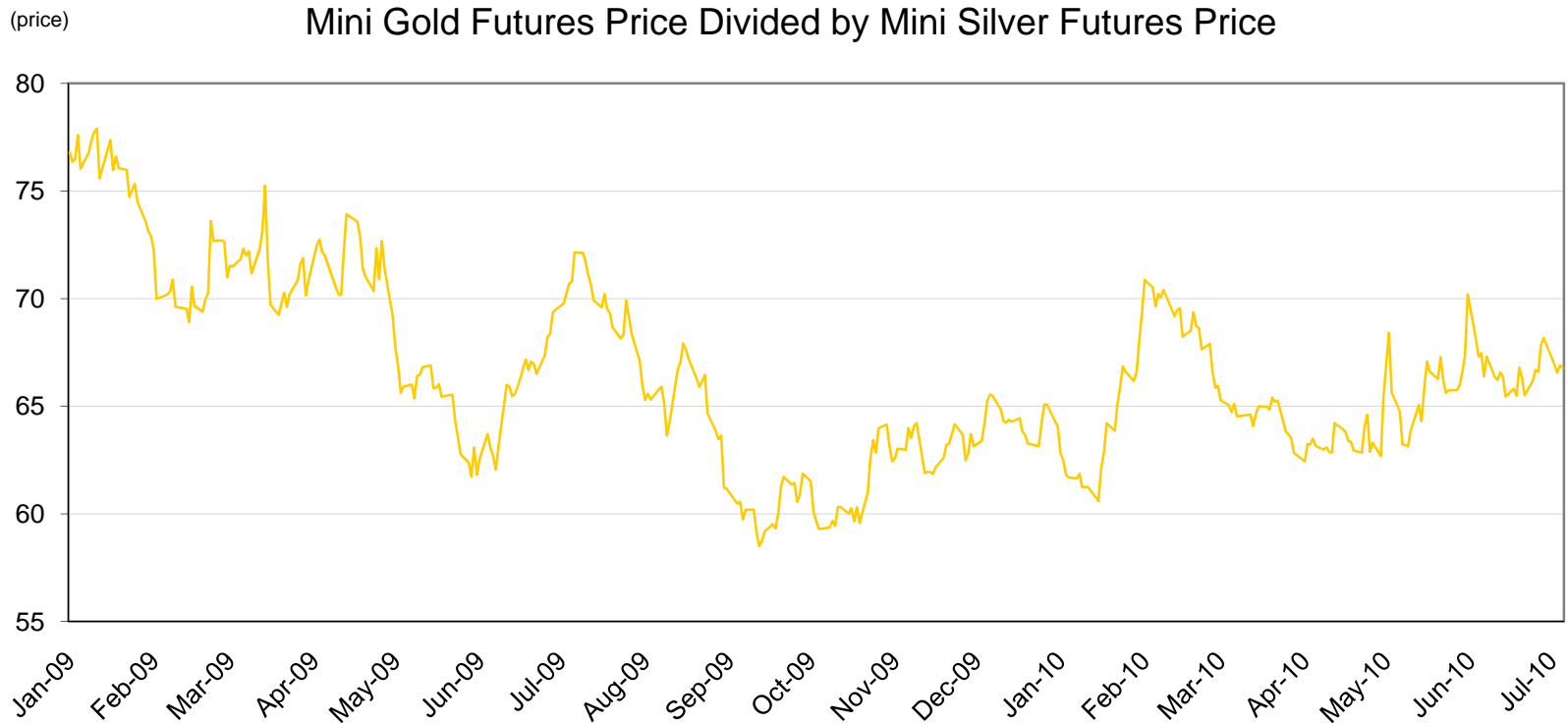
Mini Gold futures and the 30 day moving average

Mini Gold Futures



- “The trend is your friend” is a common expression. Some traders buy a commodity when prices move above a moving average and sell it when it sinks below the moving average

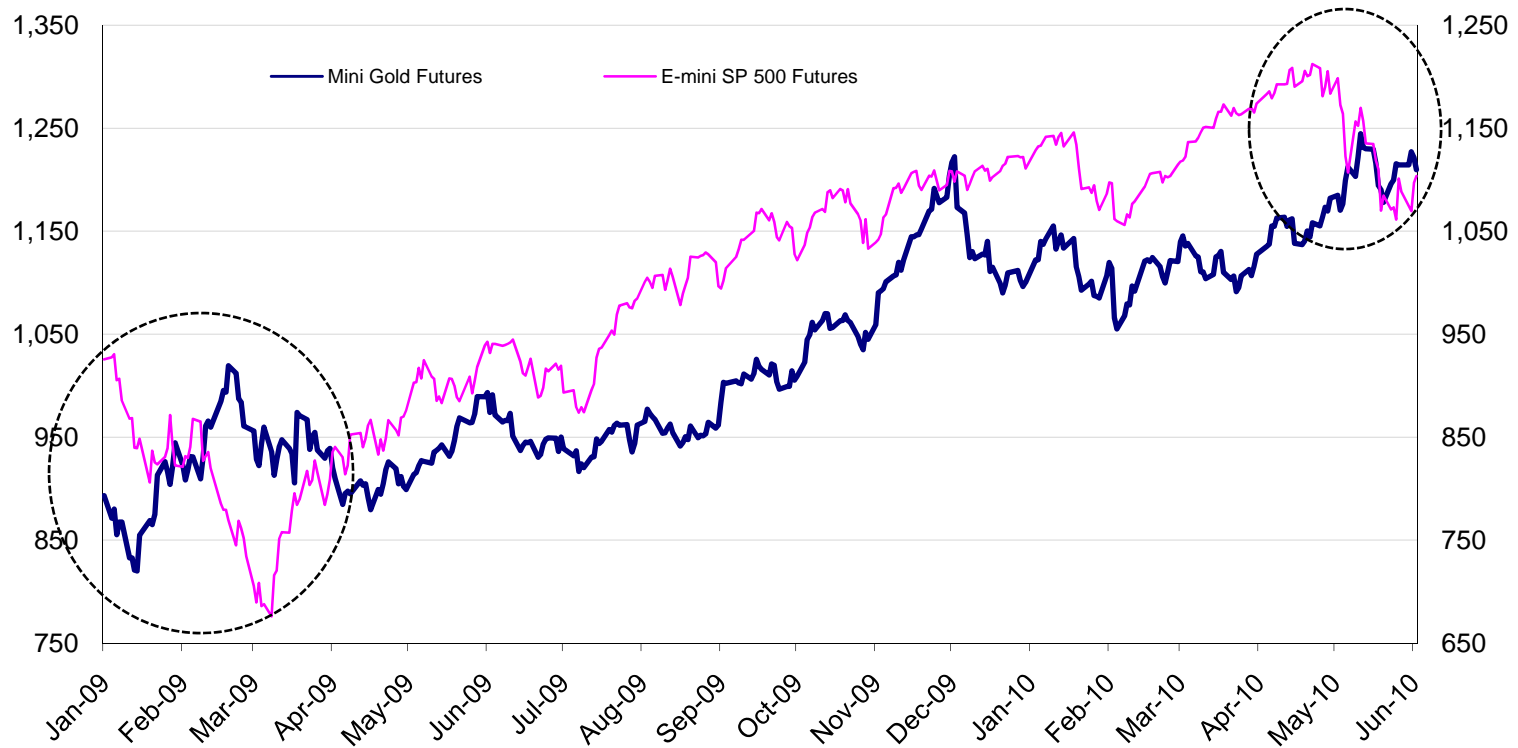
Ratio



- Gold prices can reflect overall risk sentiment. Silver prices can reflect industrial demand trends. Positive on the economy? Consider a short gold/long silver position in equal dollar amounts. Think there is trouble ahead? Consider a long gold/short silver position.

Mini Gold and the e-Mini S&P

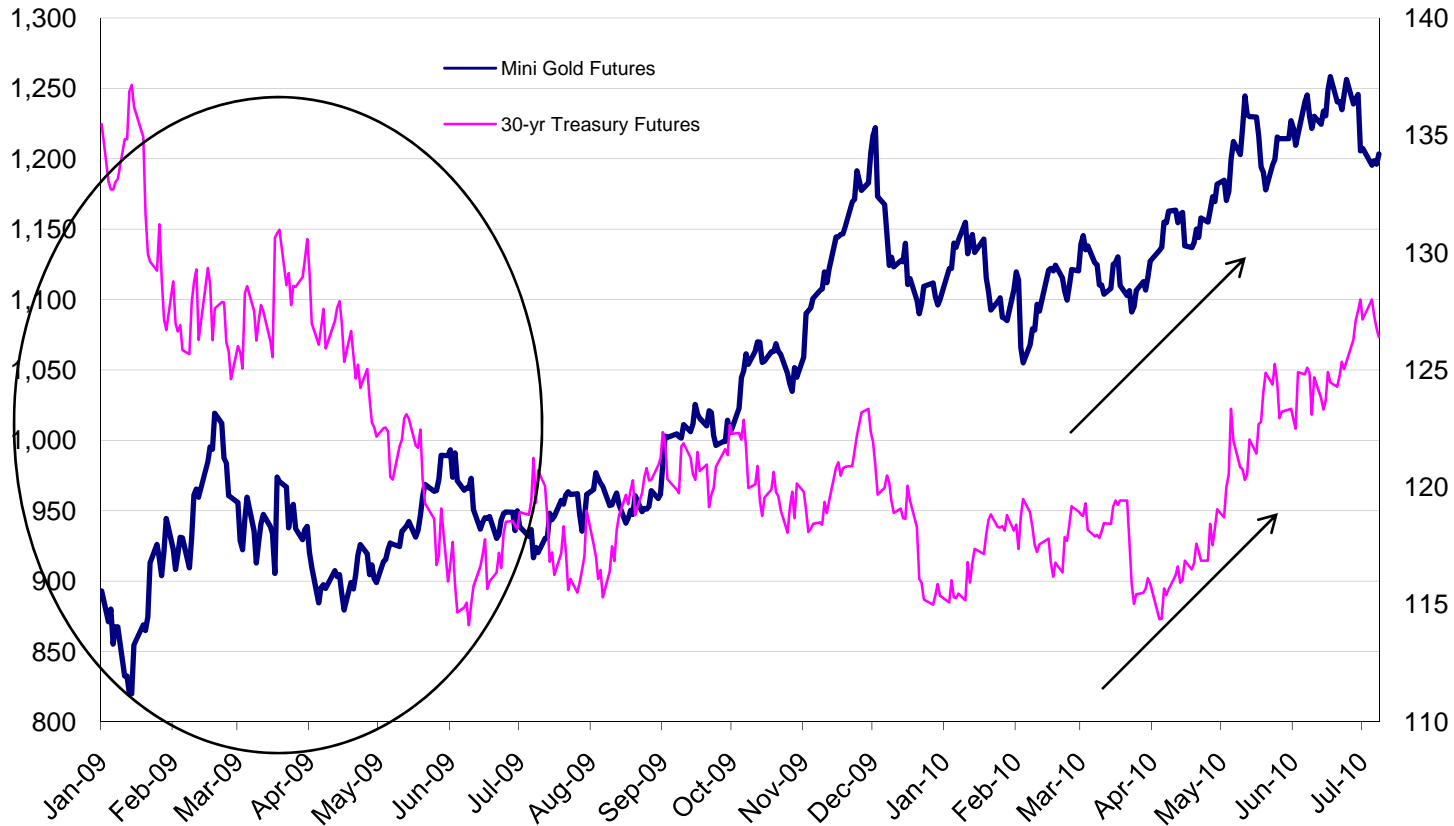
Mini Gold Futures vs. E-mini S&P 500 Futures



- Portfolio diversification evident in January-March '09 and April-June '10; in between, both minis moved together

Mini Gold: trending with Treasuries

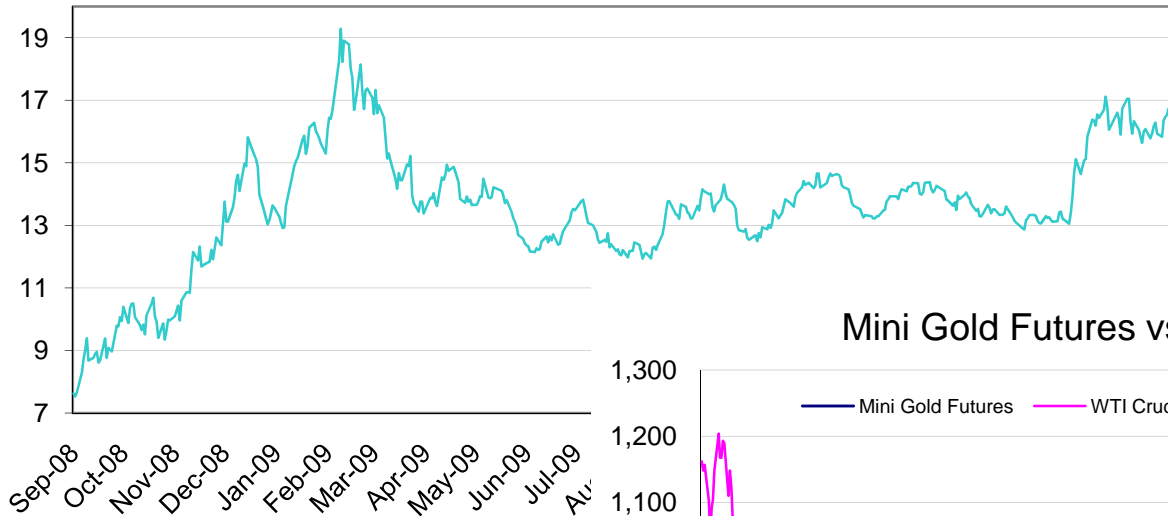
Mini Gold Futures vs. 30-year Treasury Futures Price



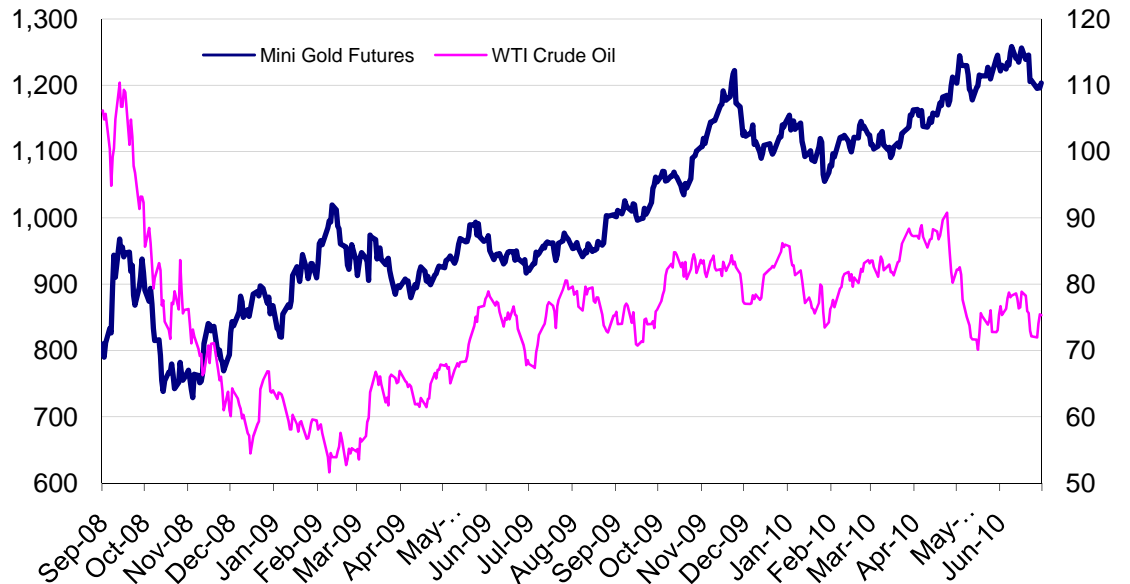
- Portfolio diversification evident in H1 '09. Since then, Treasury futures & Mini Gold futures prices are in synch

How much oil can 1 oz of gold buy?

Mini Gold Futures Price Divided by WTI Crude Oil Futures



Mini Gold Futures vs. CTI Crude Oil Price



2/20/2009
 Mini Gold: \$1024.70
 Crude: \$56.69

10/24/08
 Mini Gold: \$704.10
 Crude: \$94.91

The purchasing power of gold in terms of barrels of crude oil is commonly observed in Asia

3. Summary



Why trade NYSE Liffe US Mini Gold and Silver?

1. Liquidity is established and consistent
2. Capital efficiencies
3. Transparency
4. LIFFE CONNECT® technology
5. Diverse opportunities for traders and investors
 1. Capture the attributes of precious metals in your portfolio (diversification, store of value, hedge against inflation/deflation, etc)
 2. Technical analysis to identify trends
6. Backed by real metal and NYSE Euronext

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Mini Gold and Mini Silver Futures on NYSE Liffe

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- better execution prices than the industry as a whole
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- to financial professionals
- **from one integrated account.**



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- \$4.8 billion in equity capital
- Handle over 1,000,000 trades per day
- IB Group and its predecessor companies have been in the trading business for over 33 years
- IB has always been at the forefront of trading innovation, starting with the invention of the first trading floor based handheld computer in 1983
- Customers are protected by up to USD 30 million through SIPC and Lloyd's of London securities account protection (including up to USD 1 million cash)
- Real-time margin system enforces limits for each account and automatically liquidates positions if an account violates its limits at any time
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NYSE LIFFE products

IB Symbol	Description	Product
ZI	CBOT 5000 OZ SILVER FUTURES	Futures & Futures Options
ZG	GOLD 100 TROY OZ	Futures & Futures Options
YG	MINI SIZED NY GOLD FUTURES	Futures
YI	MINI SIZED NY SILVER FUTURES	Futures
MXEA	MSCI EAFE INDEX	Futures
MXEF	MSCI EMERGING MARKETS INDEX	Futures
MXUS	MSCI USA INDEX	Futures

Trading Hours:

19:16-17:00 Sunday-Friday (ET)

19:18-17:00 Sunday-Friday (ET) - Gold and Silver options only



New Lower Costs

Futures and Futures Options/US

1.) **IB flat rate** price structure

IB Flat Rate (IB Execution, Clearing, and Carrying Fees) plus applicable exchange and regulatory fees.

Flat rate = USD 0.85 per contract (plus exchange + regulatory fees)

Example: Gold & Silver mini-sized = 0.85 (flat fee) + 0.81 (exchange fee) + 0.01 (regulatory fee) = **USD 1.67 per contract**

2.) **IB volume-tiered** price structure

IB Volume Tiered commission includes IB Execution, IB Clearing, IB Carrying, and exchange and regulatory fees.

USD 0.20 to 0.60 per contract (plus exchange + regulatory fees)

Australian Broker Comparison

	Minimum Per Trade	Commission as a % of Trade Value	Margin Lending Rates
Interactive Brokers	\$6³	0.08%³	5.89%³
Bell Direct	\$15 ⁴	0.10% ⁴	N/A
CommSec	\$19.95 ⁵	0.12% ⁵	9.35% ⁵
Net Wealth	\$17.99 ⁶	0.11% ⁶	9.24% (Suncorp) ⁶
E-Trade	\$32.95 ⁷	0.11% ⁷	9.24% (ANZ) ⁷

Commission/Margin Rate Comparison as of May 6th, 2010. Services vary by firm. Data is for Australian stocks.

Supporting documentation for any claims and statistical information will be provided upon request. [3] Interactive Brokers - \$6 up to \$7,500 in trade value, 0.08% for trades over \$7,500. Margin lending rates: 5.89% p.a. [4] Bell Direct - \$15 or 0.1% for trades over \$15,000. Margin lending rates: N/A. You must obtain a margin loan from another provider (pay their Interest Rate) to trade on margin with Bell Direct. Then you pay an additional \$15 per online trade via your margin account with Bell. [5] CommSec - \$19.95 up to \$10,000 transaction value, \$29.95 up to \$25,000 transaction value, 0.12% above \$25,000. Margin lending rates: 9.35% p.a. [6] Net Wealth - \$17.99 for all trades up to \$5,000, 5-10K is 19.95, 10-25K 26.99, greater than 25K is 0.11%. Margin lending rates (via Suncorp): 9.24% p.a. [7] ETrade Australia - \$32.95 for all trades up to 30K, 0.11% for trades above 30K. Margin lending rates (via ANZ): 9.24% p.a.

Compare Our Interest Rates

Interest and Financing

- Interactive Brokers pays market competitive rates.
- We use internationally recognized benchmarks for overnight deposits as a basis for determining the rates that we pay and charge interest.

	Interest Paid (long positions)	Interest Charged (short positions)
AUD	$\leq 12K = 0\%$ $> 12K = 4.025\%$ $> 120K = 4.275\%$	$\leq 120K = 6.025\%$ $> 120K = 5.525\%$ $> 1.2M = 5.025\%$
USD	Currently 0%	$\leq 100K = 1.66\%$ $> 100K = 1.16\%$ $> 1M = 0.66\%$

Compare the above rates to what you would pay/receive at other brokers!



Sales Representative

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When completing the application, select salesperson **Neil Swanson** to ensure you have an Australian representative on the account.