MXN/USD Futures Contract

October, 2014.

MXN/USD Futures Contract: Description

- The MXN is the eighth most traded currency in the world, the third most traded in the Americas and the most traded in LATAM.
- MXN has become the main hedging currency for emerging countries in the same geographical region, specially those that lack local liquidity.
- High yields offered in Mexican Fixed Income instruments, attract large international cash flows, thus incrementing FX Derivatives trading volume.
- Useful product to create synthetic rates
    - Daily vs Monthly spreads (Fx Strip)

MXN/USD Futures Contract: Specifications

Underlying:	US Dollar
Contract Size:	$10,000 Dollars
Delivery Months:	Daily, monthly and quarterly, up to 15 years
Trading Symbol:	DA
Quotation:	Pesos per Dollar
Tick:	0.0001 Pesos
Tick Value:	$1 Peso
Tick Ratio/ Fee:	0.36 times.
Initial Margin:	$9,000 pesos.
Opposite Margin:	$3,600 pesos
Trading Hours:	7:30 to 14:00 hours.
Last Trading Day:	Monday of the week of the third Wednesday of the contract month
Maturity date:	Monday of the week of the third Wednesday of the contract month
Settlement:	Physical delivery.
Bloomberg <MMDD>	DSA<CRNCY>CT
Reuters MXN/FUTEX1	0#MXP:

MXN/USD Futures Contract: Specifications

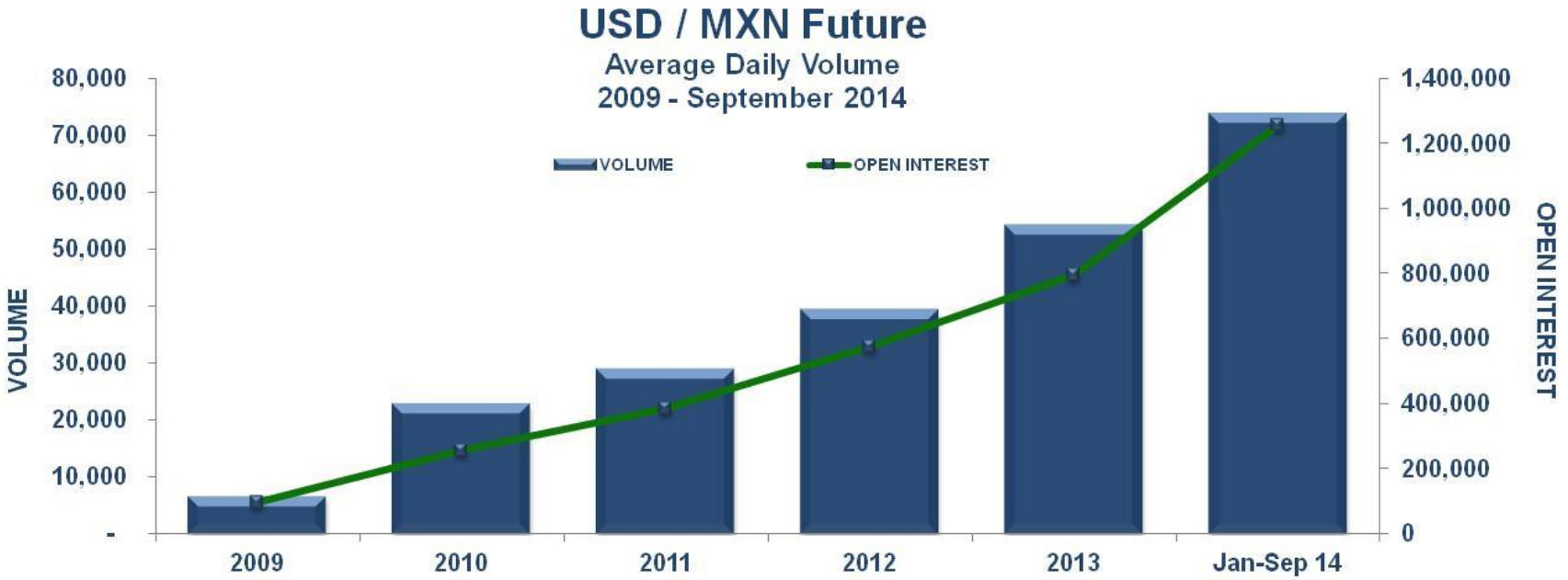
- Initial margin of $ 9,000.00 → **Leverage 14:1**
- Listed Series:
  - Daily (up to 5 business days)
  - Monthly or
  - Quarterly
  - Up to 15 years
- Settlement = T+2
- Trading Symbol (example):
  - **DA16 JN15**, where:

16	Delivery day
JN	Delivery month
15	Delivery year

** Clearing Members may require additional margin*

MXN/USD Futures Contract

- Participants: Banks, FCM's, Pension Funds, Mutual Funds, liquidity providers.
- Competitive trading and clearing costs.



MXN/USD Futures Contract: Uses

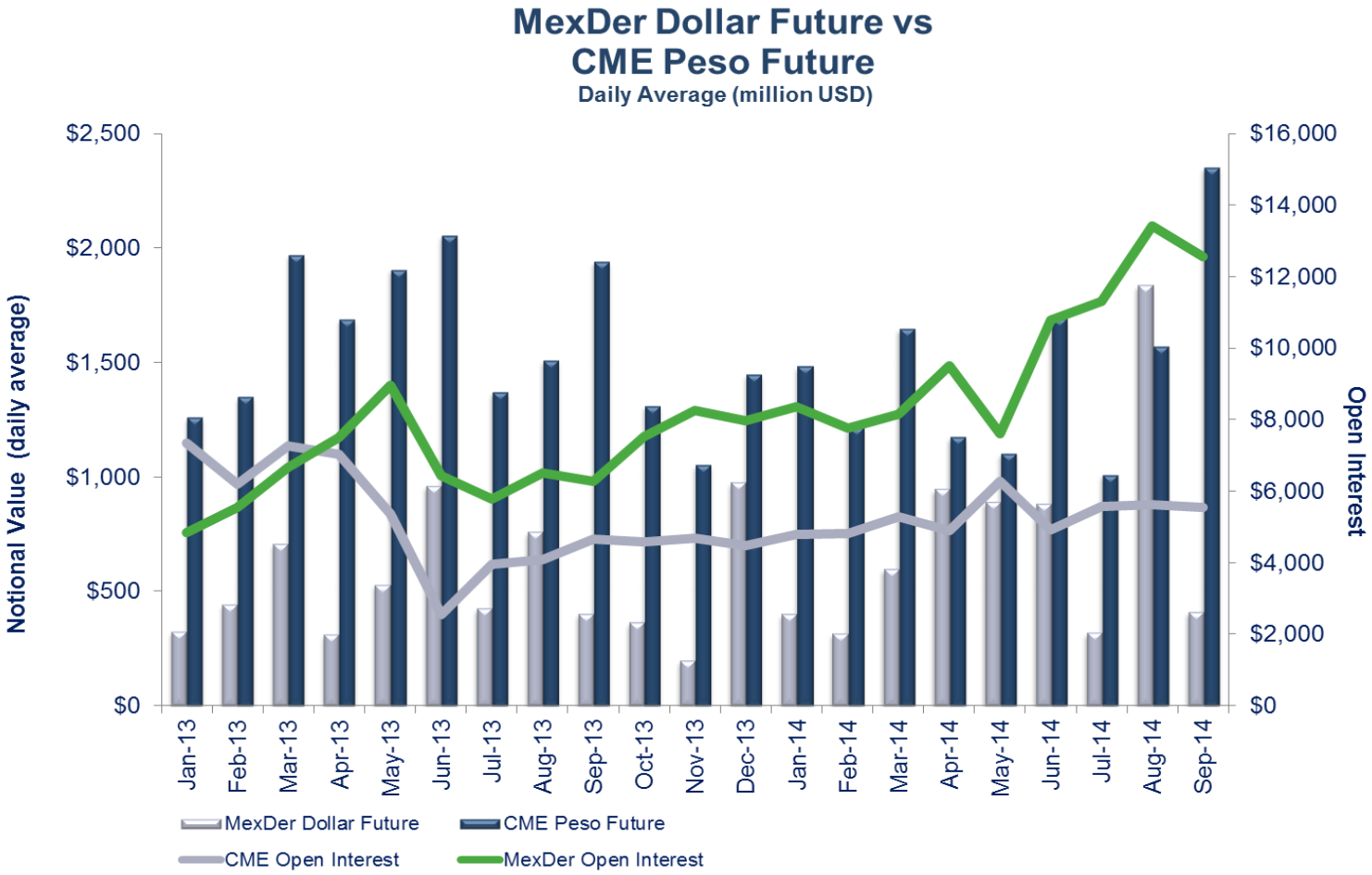
- **Hedging**
  - Importers with USD commitments.
  - Exporters that receive USD flows.
  - Dollar Credits.
  - Infrastructure financing.
- **Arbitrage**
  - MexDer's Dollar Future vs CME's Peso Future.
  - Currencies with significant correlation.
- **Strategies:**
  - USD funding
  - Synthetic Interest Rates in pesos and in dollars. (FX Strip).

MXN/USD Futures Contract: Benefits.

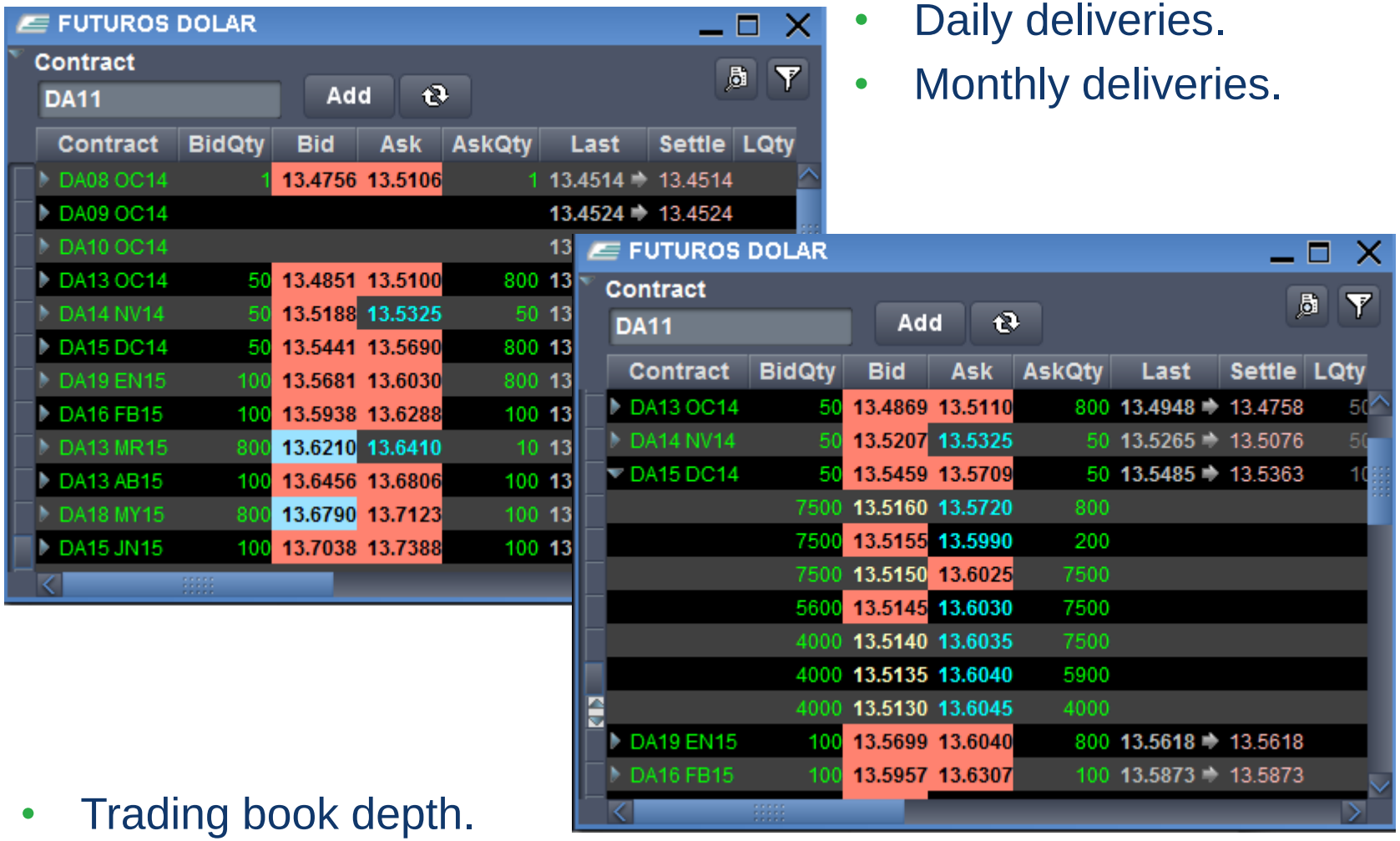
- Smaller contract size = more precise hedging.
- High level of Open Interest = Portfolio hedging
- Constant quotations and liquidity in the first 9 monthly deliveries.
- Expiring Futures available
- 40% volume growth in the last year.
- Easy access and easy execution

MXN/USD Futures Contracts

- August 2014: Open Interest and Volume Record.
- Competitive execution and clearing fees.



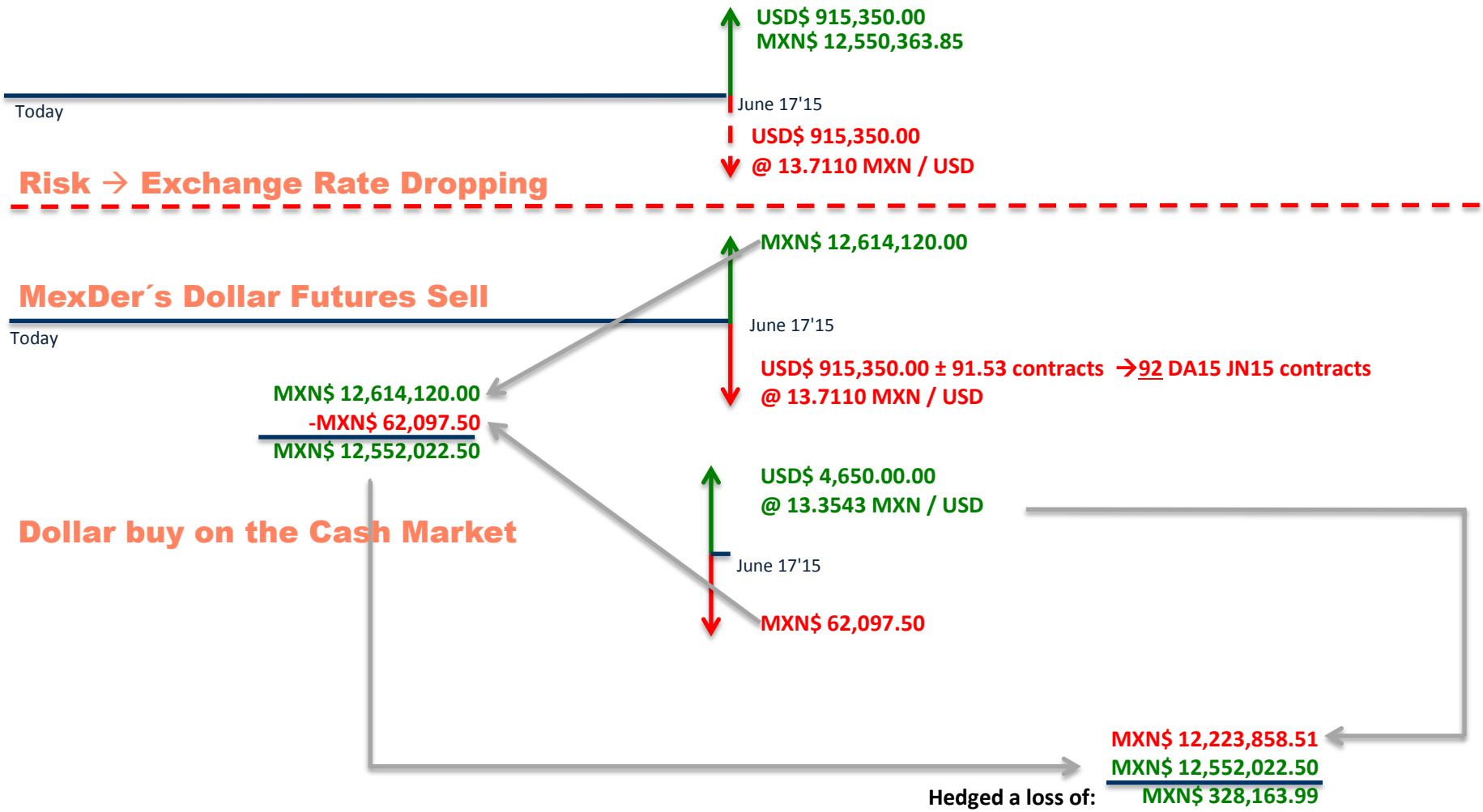
MXN/USD Futures Contracts: Trading Screens.



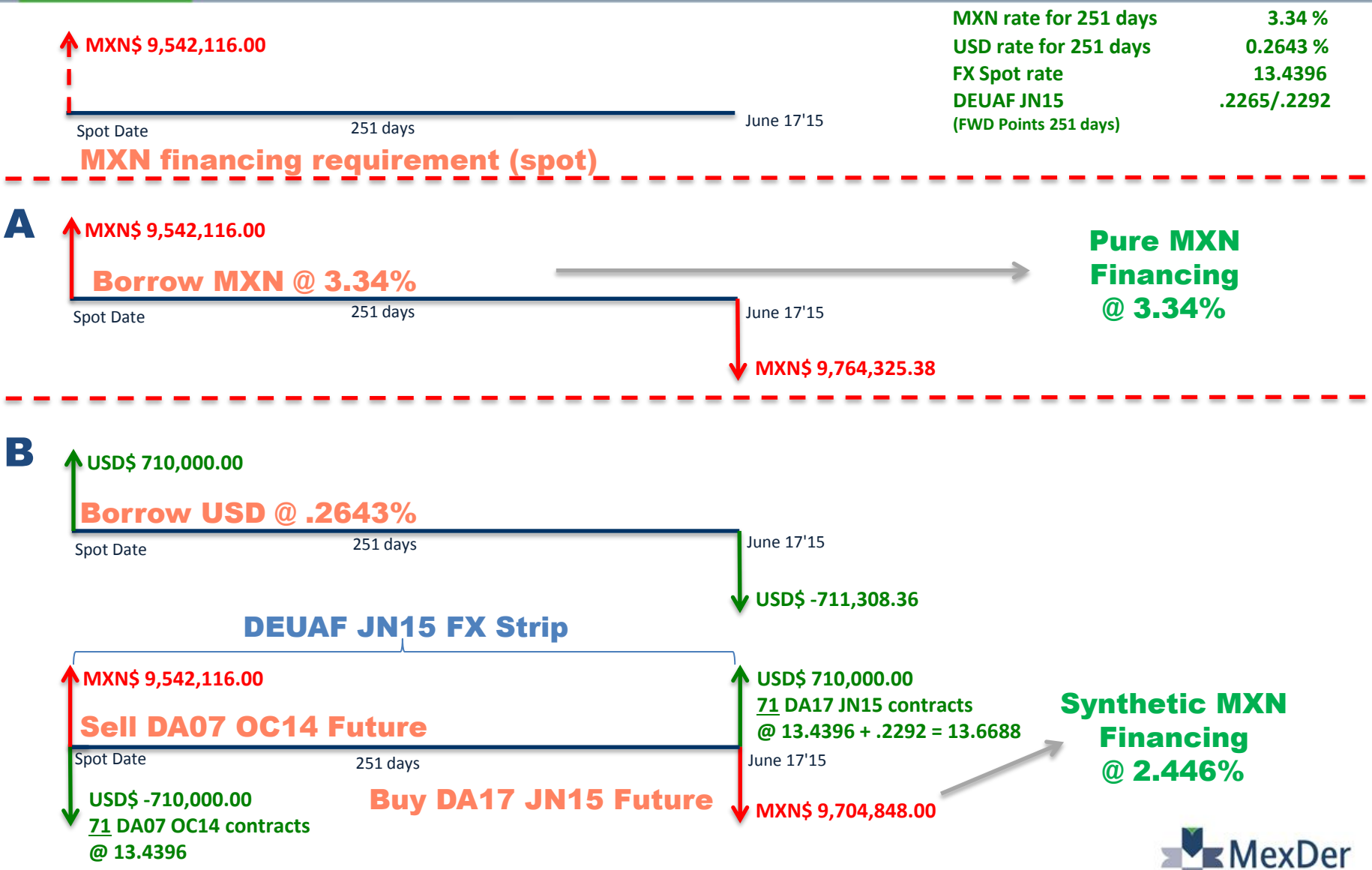
- Daily deliveries.
- Monthly deliveries.

- Trading book depth.

Hedging Strategy for a Local Exporter Producer



Synthetic MXN Financing



MexDer in the Vendors

MexDer Reference in:
Bloomberg: MMDD <GO>
Thomson Reuters: 0#MEXDER-MEXICO
SiBolsa - App

Reference Code in Vendors		
	Bloomberg	**Thomson Reuters**
MexDer General Reference	MMDD <GO>	MX/FUTEX1
Futures General Reference	MMDF <GO> +2 <GO>	MXN/FUTEX1
Options General Reference	MMDO <GO> +3 <GO>	MXN/OPT1
SWAPS General Reference	MMDD <GO> 6 <GO>7 <GO>	MXN/SWAP1
Most common Node SWAPS		MXNIRS=XD
VIMEX (Mexican Volatility Index)	VIMEX Index <GO>	VIMEX
Conversion Factors		MX/FACTOR1

SiBolsa

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MexDer in the Vendors: Futures Contracts

FUTURES

	Bloomberg	Thomson Reuters
CURRENCIES		
Mexican Peso/ U.S. Dollar	**DSA<CRNCY>CT**	**0#MXP:**
US. Dollar Daily Contracts	DSDAILY<CRNCY>CT	0#MXPD:
Mexican Peso/ Euro	BEA<CRNCY>CT	0#EURO
INDICES	<INDEX>	
IPC (Mexican Stock Exchange Index**)**	ISA<INDEX>CT	0#IPC:
INDIVIDUAL STOCKS	SFUT MD	MXN/FUTEX2
28 day TIIE (Interbank Interest Rate)	DOA<CMDTY>CT	0#TII:
28 day TIIE Strip	MMDD <GO> --> 4 --> 7	
10 year IRS Futures Deliverable Centrally Cleared SWAP	SWIA<CMDTY>CT	0#SWA10:
2 year IRS Futures Deliverable Centrally Cleared SWAP	SWEA<CMDTY>CT	0#SWA02:
91 day Cetes (MXN Treasury Bill)	GMA<CMDTY>CT	0#CTE:
3 year Bond in MXN (M3)	MAA<CMDTY>CT	0#BN0:
10 years Bond in MXN (M10)	DWA<CMDTY>CT	0#B10:
Specific 10 Year M Bond (DC24)	DCYA<CMDTY>CT	0#DC24:
Specific 20 Year M Bond (MY31)	MYOA<CMDTY>CT	0#BD31M:
20 year Bond in MXN (M20)	VYBA<CMDTY>CT	0#B20:
30 year Bond in MXN (M30)	VYCA<CMDTY>CT	0#B30:

MexDer in the Vendors: Options Contracts

OPTIONS

	Bloomberg	Thomson Reuters
INDICES		
Futures on the IPC	ISA<INDEX>OMON	0#IPC*.XD
CURRENCIES		
Mexican Peso/ U.S. Dollar	**MXX<CRNCY>OMON**	**0#DA*.XD**
INDIVIDUAL STOCKS		
America Móvil L	AMXL MM <EQUITY> OMON	0#AX*.XD
Cemex CPO	CEMEXCP MM <EQUITY> OMON	0#CX*.XD
Tlevisa CPO	TLEVICPO MM <EQUITY> OMON	<0#TV*.XD>
GMéxico B	GMEXICOB MM <EQUITY> OMON	<0#GM*.XD>
Walmex V	WALMEXV MM <EQUITY> OMON	0#WA*.XD
ETF's		
Naftrac 02	NAFTRAC <EQUITY> OMON	0#NA*.XD
BRTRAC 10	BRTRAC MM <equity> OMON <GO>	0#BR*.XD

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Interactive Brokers

presents

MEXDER Offering

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Our Business

- We are the largest U.S. electronic broker as measured by revenue trades
- Recognized industry leader Barron's #1 electronic broker 3 year straight
- Interactive Brokers has 252,000 customer accounts and $5.2 billions equity capital (as of Jun-14)
- Our clients are over 190 countries
- Almost 45% of our Revenues come from Commisions and Executions, over 70% is generated in the USA
- Rating S&P is A2/A- and stable

S&P Credit Ratings Comparison[1]

Broker Dealer	Rating	Outlook
JPMorgan Chase & Co.	A	Negative
Interactive Brokers	**A-**	**Stable**
Bank of America Corporation	A-	Negative
Citigroup Inc.	A-	Negative
Goldman Sachs	A-	Negative
Merrill Lynch & Co., Inc.	A-	Negative
Morgan Stanley	A-	Negative
Jefferies	BBB	Stable

Our Three Key Differentiators

Low Cost & Best Execution

- Low execution costs:
  - Stocks $.0005 to $.005/share
  - Options $.075 to $.70 /contract (1)
- Margin rates range from .5% to 1.59% (1)
- IB's achieves the industry's best price improvement because we do not sell or internalize customer order flow (1)

Breadth of Product

- Customers can trade on 100+ market centers in 23 countries and 20 currencies.
- Electronic market access to stocks, options, futures, forex, bonds, funds, ETFs and CFD's from a single IB Universal Account ™.

Superior Trading Technology

- Sophisticated market-maker designed technology
- Multiple desktop and mobile trading platforms
- Advanced trading tools
- 60 order types and algos
- API solutions

IB - MEXDER Products

Exchange - Mexican Derivatives Exchange (MEXDER)

Exchange Hours	Website
07:30 - 15:00 (Mexico City Time)	www.mexder.com

Order Types - Click to expand

Futures

IB Symbol	Product Description (click link for more details)	Symbol	Currency
BONO10	10 YEAR BOND	M10	MXN
BONO3	3 YEAR BOND	M3	MXN
AMXL	AMERICA MOVIL SAB DE CV	AXL	MXN
CEMEXCPO	CEMEX SAB DE CV	CXC	MXN
EURO	EUROPEAN MONETARY UNION EURO	EU	MXN
FEMSAUBD	FOMENTO ECONOMICO MEXICANO SAB DE CV	FEM	MXN
IPC	MEXICO BOLSA (IPC) INDEX	IPC	MXN
DEUA	UNITED STATES DOLLAR	DA	MXN

Options

IB Symbol	Product Description (click link for more details)	Symbol	Currency
IPC	MEXICO BOLSA (IPC) INDEX	IP	MXN

IB Commissions for MEXDER

México

▸ Ejemplo

	Comisiones por contrato	Mínimo por orden
Futuros sobre fórex (USD)	20,00 MXN	20,00 MXN
AMXL, CEMEXCPO, FEMSAUBD, GCARSOA1, TELMEXL, Futuros sobre fórex (EUR)	25,00 MXN	25,00 MXN
BONO3, Opciones sobre IPC	40,00 MXN	40,00 MXN
IPC, BONO10	50,00 MXN	50,00 MXN

IB Margin Requirements - Mexder

Mexican Derivatives Exchange (MEXDER)

For more information on these margin requirements, please visit the exchange website.

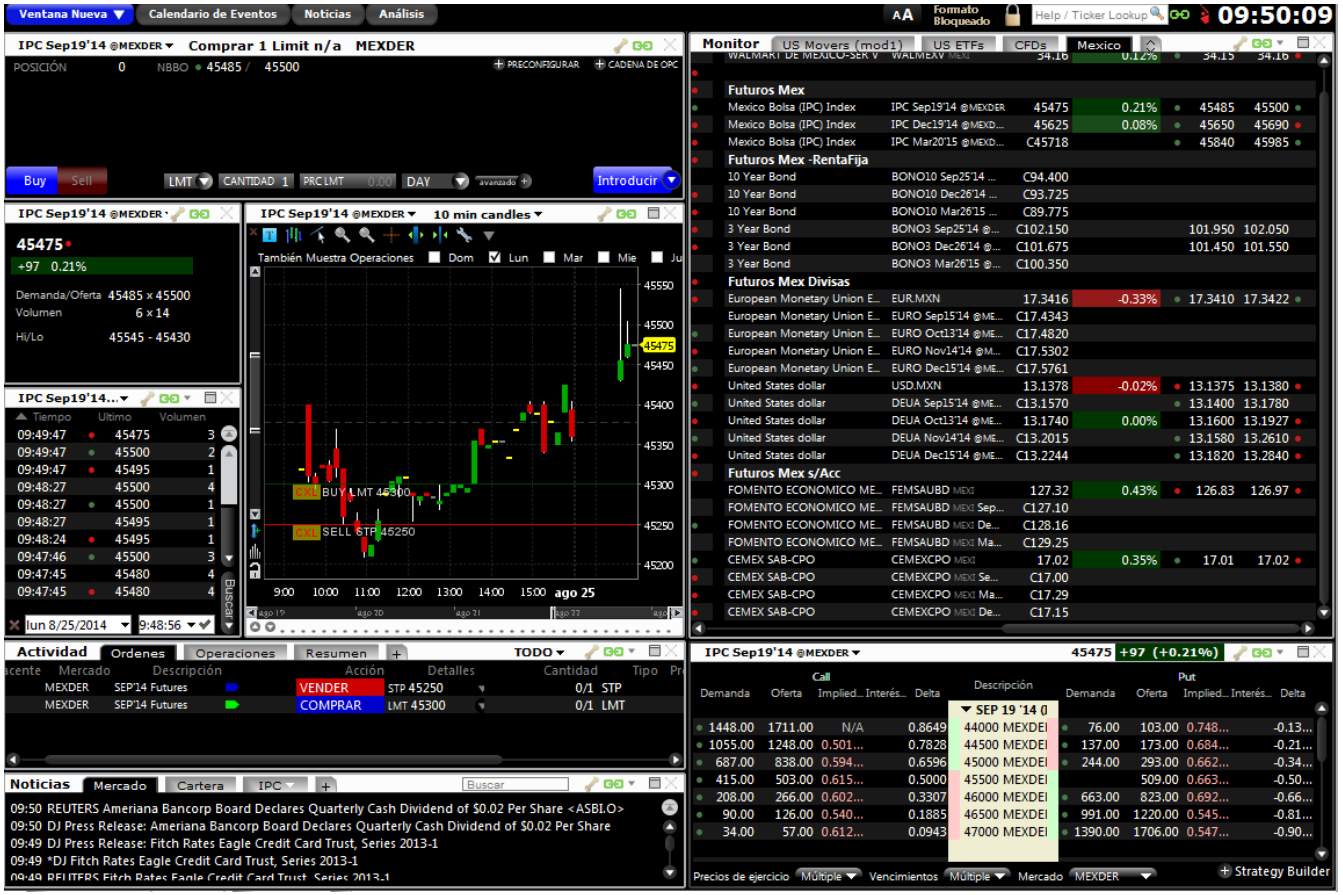
Exchange	Underlying	Product description	Trading Class	Intraday Initial[1]	Intraday Maintenance[1]	Overnight Initial	Overnight Maintenance	Currency
MEXDER	AMXL	America Movil SAB de CV	AXL	819.4375	N/A	819.4375	655.55	MXN
MEXDER	CEMEXCPO	Cemex SAB de CV	CXC	819.4375	N/A	819.4375	655.55	MXN
MEXDER	DEUA	United States dollar	DA	11250.00	N/A	11250.00	9000.00	MXN
MEXDER	EURO	European Monetary Union Euro	EU	15000.00	N/A	15000.00	12000.00	MXN
MEXDER	FEMSAUBD	Fomento Economico Mexicano SAB de CV	FEM	1750	N/A	1750	1400	MXN
MEXDER	IPC	Mexico Bolsa (IPC) Index	IPC	33750	N/A	33750	27000	MXN
MEXDER	BONO10	10 Year Bond	M10	6250	N/A	6250	5000	MXN
MEXDER	BONO3	3 Year Bond	M3	6250	N/A	6250	5000	MXN

IB –Order Types Mexder

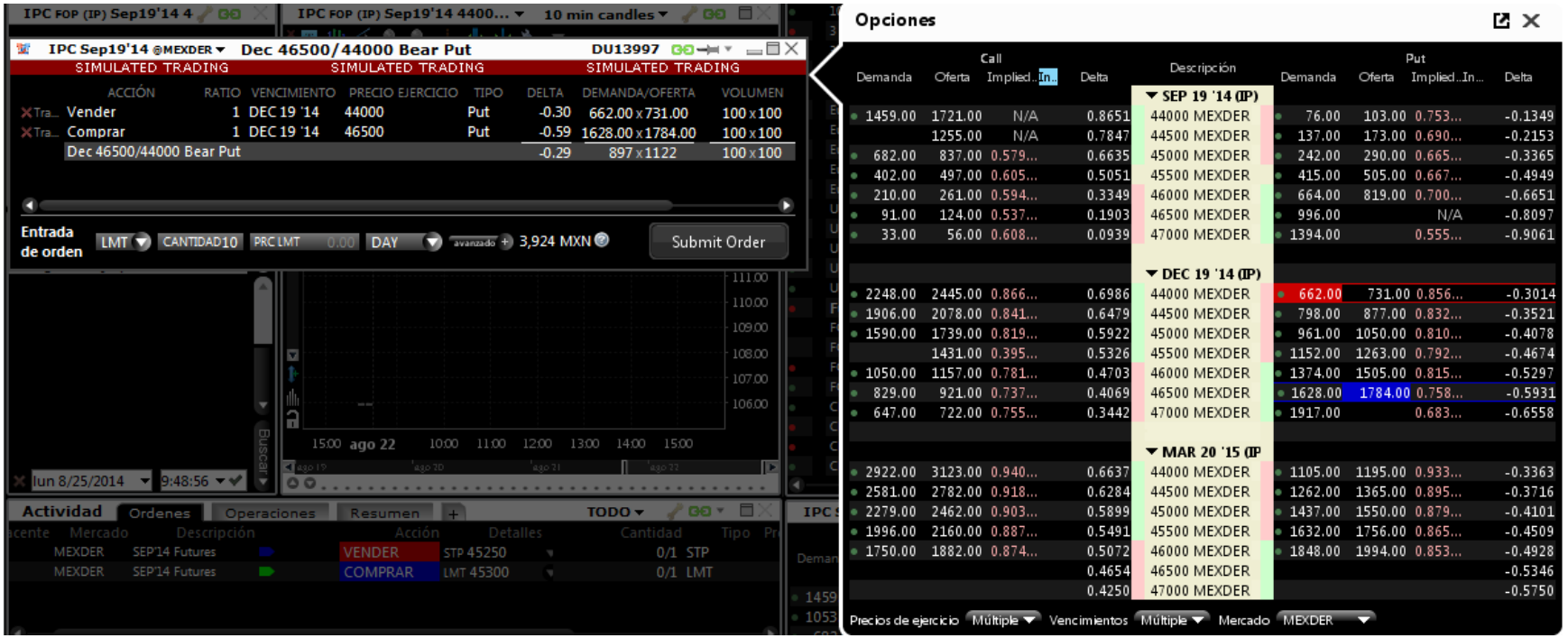
Native to Exchange	Simulated by IB
Limit (fop, fut)	Adjustable Stop (fop, fut)
	Basket (fop, fut)
	Conditional (fop, fut)
	Good After Time (fop, fut)
	Good Till Cancel (fop, fut)
	Good Till Date (fop, fut)
	Good Till Time (fop, fut)
	Hidden (fop, fut)
	Iceberg (fut)
	Limit If Touched (fop, fut)
	Market If Touched (fop, fut)
	Market (fop, fut)
	Market To Limit (fop, fut)
	One Cancels All (fop, fut)
	Pegged To Benchmark (fut)
	Scale (fop, fut)
	Stop (fop, fut)
	Stop Limit (fop, fut)
	Trailing Stop (fop, fut)
	Trailing Limit If Touched (fop, fut)
	Trailing Stop Limit (fop, fut)
	Trailing Market If Touched (fop, fut)

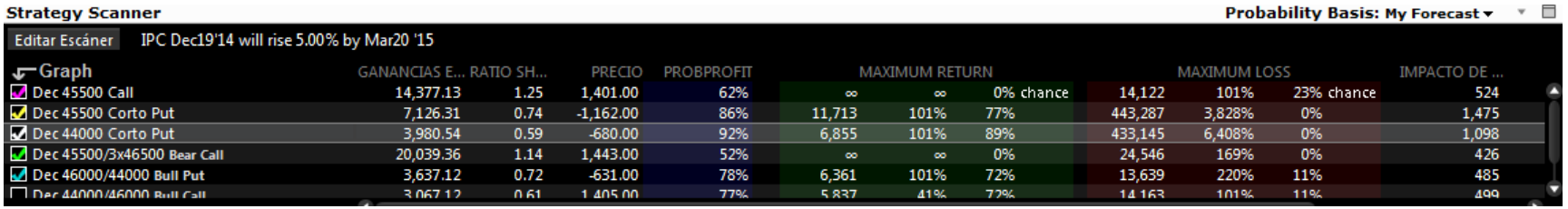
(war) warrants (bond) bonds (fut) futures (fop) options on futures (opt) options (stk) stocks

Mosaic Mexder



Mosaic Mexder – Options-





IB - Bolsa Valores Mexico and Mexican Bonds

Mexico

Bonos | Bonos Latam - Emerging | Bonos US menos 5a | CARTERA | Cartera | Derivados | EUR -Stk E | EUR -Stk O | × Mexico | US -Etfs | US ADRs | US Stk | Pendiente (Todo) | +

Nombre de la Compañía	Símbolo	Rendimiento del	Cap. Mercado	Último Spin	Último	Cambio %	Volumen I	Demanda	Oferta	Volumen Of	Rango	VWAP	Volumen	Alto	Bajo
Destinación	Acción	Cantidad	Tipo	Tiempo de V	Precio Límite	Precio de E	Precio Stop	Precio Disp	Transmitir	Estado	precio de operación	Cancelar	Origen	Grupo OCA	
ARCA CONTINENTAL SAB DE CV	AC	1.6%	155.906B		96.76	-0.11%	400	96.76	96.99	1,200			1.08K	97.23	96.39
ALFA S.A.B.-A	ALFAA	0.9%	220.116B		42.87	-0.63%	700	42.86	42.87	1,662		43.2186	311K	43.60	42.85
ALPEK SA DE CV	ALPEKA	3.8%	56.195B		26.53	0.64%	48	26.53	26.54	21,852			19.6K	26.54	26.28
AMERICA MOVIL SAB DE C-SER L	AMXL	1.5%	1,079.547B		15.69	-0.13%	176,900	15.69	15.72	114,125		15.7338	408K	15.77	15.69
ALSEA SAB DE CV	ALSEA		37.870B		45.15	-0.46%	1,700	45.16	45.33	500			23.6K	45.66	45.12
GRUPO AEROPORT DEL SURESTE-B	ASURB	2.6%	51.000B		170.00	-0.34%	444	170.00	171.81	400			1	170.00	170.00
GRUPO BIMBO SAB- SERIES A	BIMBOA		201.297B		42.76	-0.35%	300	42.80	42.81	700			4.17K	42.87	42.70
BOLSA MEXICANA DE VALORES SA	BOLSAA	4.0%	16.313B		27.50	-0.90%	14,600	27.51	27.65	300			68.5K	27.75	27.40
CEMEX SAB-CPO	CEMEXCPO		206.748B		17.03	0.41%	42,100	17.02	17.03	93,529		17.0010	462K	17.04	16.97
GRUPO COMERCIAL CHEDRAUI SA	CHDRAUIB	0.5%	44.051B		45.70	-0.95%	969	45.70	46.14	4,800			645	46.20	45.68
CONTROLADORA COML MEXIC-UBC	COMERCIUBC	1.3%	91.248B		50.35	-0.98%	5,000	50.50	50.69	2,200		50.7406	8.42K	51.04	50.35
GRUPO ELEKTRA SAB DE CV	ELEKTRA	0.6%	86.976B		C366.27		12	366.53	367.28	12					
FOMENTO ECONOMICO MEXICA-UBD	FEMSAUBD	2.4%	437.140B		126.42	-0.28%	613	126.40	126.43	1,200			39.2K	127.49	126.40
GRUPO AEROPORT DEL PACIFIC-B	GAPB	7.0%	52.005B		92.70	-0.38%	100	92.60	92.70	906		93.0940	8.93K	93.37	92.55
COMPARTAMOS SAB DE CV	GENTERA	1.9%	48.309B		29.30	-0.64%	1,500	29.31	29.78	17,500		29.3450	200	29.39	29.30
GRUPO FINANCIERO INBURSA-O	GFINBURO	0.9%	278.082B		41.71	0.02%	4,500	41.71	41.81	45		41.7508	71.0K	42.00	41.70
BANREGIO GRUPO FINANCIERO SA	GFREGIOO	0.9%	25.261B		77.03	0.06%	1,200	76.26	77.17	100			268	77.40	77.03
GRUMA S.A.B.-B	GRUMAB		64.030B		147.96	0.63%	195	147.95	147.96	100		147.4944	23.0K	147.97	147.32
GRUPO SANBORNS SAB DE CV	GSANBORB-1	3.3%	54.745B		23.31	-1.19%	1,412	23.30	23.31	1,329			20.7K	23.73	23.30
EMPRESAS ICA S.A.B	ICA		15.250B		25.22	0.60%	200	25.17	25.22	599			5.60K	25.22	24.92
INDUSTRIAS CH S.A.B.-SER B	ICHB		31.835B		73.15	0.03%	7,579	73.15	73.30	6,365		73.3090	241	73.35	73.15
INFRAESTRUCTURA ENERGETICA N	IENOVA	4.1%	90.862B		78.55	0.58%	1,600	78.30	78.55	2,432		78.1943	12.9K	78.55	78.00
KIMBERLY-CLARK DE MEXICO-A	KIMBERA	3.9%	109.652B		35.30	0.26%	1,700	35.29	35.30	12,090			23.8K	35.30	35.20
COCA-COLA FEMSA SAB-SE															
GENOMMA LAB INTERNAC															
EL PUERTO DE LIVERPOOL-															
MEXICHEM SAB DE CV-*															
OHL MEXICO SAB DE CV															
INDUSTRIAS PENOLES SAB															
PROMOTORA Y OPERADOR															
GRUPO FIN SANTANDER-B															
GRUPO TELEVISA SAB-SER															

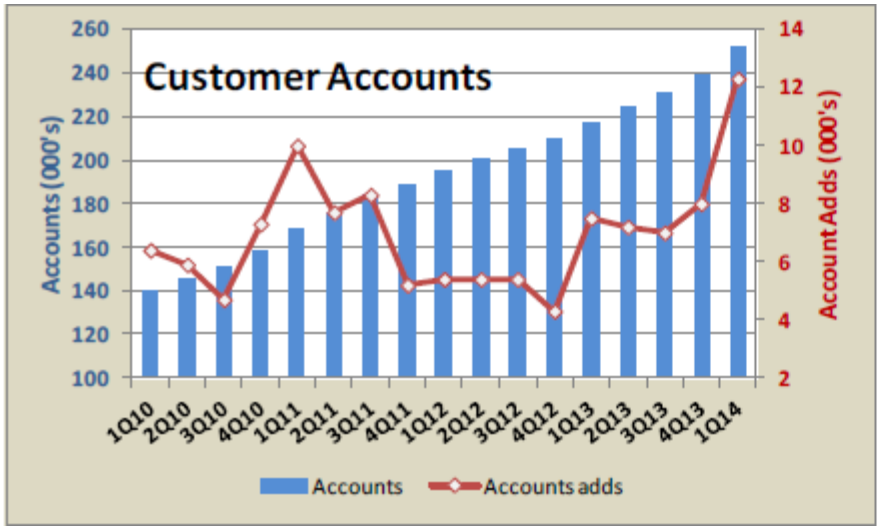
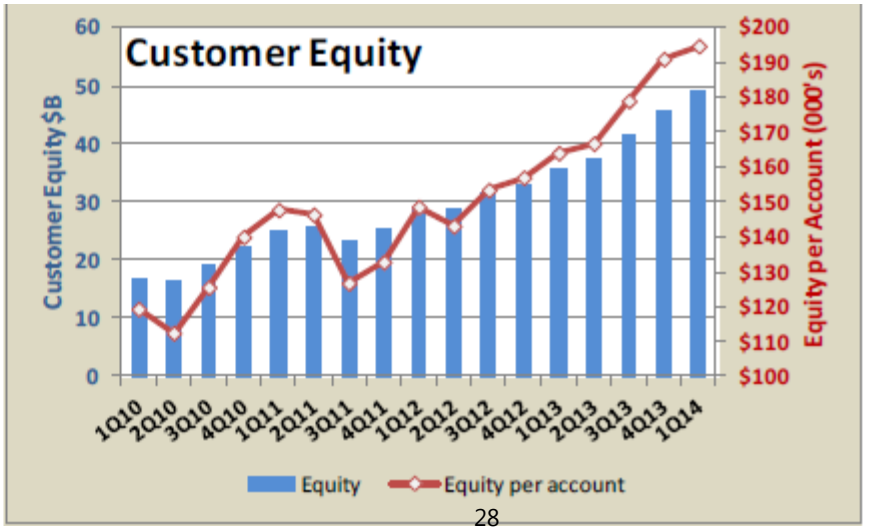
Subyacente	Descripción	Cupón	Posibilidad de	Último	Cambio %	Volumen De	Demanda	Oferta	Volumen Ofer	Anterior al C	Bajo	Volumen	Tipo en Dema	Tipo en Ofer	Duración (	Convexidad	Valor de p	Cobertura
		Acción	Cantidad	Tiempo de Vige	Tipo	Precio Límite	Destinación	Transmitir	Estado	precio de op	Cancelar							
CEMEX	Corp Bond 5.2341 ! 09/30/15 IBCID86415370	5.2341						103.683	$ 1.000K				N/A	1.6339	0.12%	0.00	0.0013	0.0143
CEMEX	Corp Bond 9.0 01/11/18 IBCID82851275	9.0		106.938	0.24%					106.682	106.938	$ 460K			0.38%	0.00	0.0041	0.0459
CEMEX	Corp Bond 9.5 06/15/18 IBCID113688420	9.5				$ 200K	112.622						4.6546		1.88%	-0.01	0.0217	0.2440
CEMEX	Corp Bond 4.9836 ! 10/15/18 IBCID135446550	4.9836											N/A	N/A	0.28%	0.00	0.0030	0.0336
CEMEX	Corp Bond 5.875 03/25/19 IBCID127376927	5.875				$ 200K	103.941	105.689	$ 500K				4.6641	3.9475	3.32%	-0.00	0.0356	0.4006
CEMEX	Corp Bond 6.5 12/10/19 IBCID132549968	6.5				$ 300K	105.766	107.321	$ 700K				5.2344	4.908	4.14%	-0.00	0.0447	0.5026
CEMEX	Corp Bond 7.25 01/15/21 IBCID135446635	7.25				$ 300K	109.306	110.554	$ 700K				5.2042	4.8265	4.29%	-0.00	0.0475	0.5339
SCCO	Corp Bond 9.25 04/01/28 IBCID68205100	9.25		C118.171		$ 75K	115.710			118.171			7.396		8.07%	0.89	0.0984	1.1072
BBVASM	Corp Bond 4.5 03/10/16 IBCID85409318	4.5		C104.947		$ 500K	104.632	105.824	$ 500K	104.947			1.4346	0.6755	1.48%	0.02	0.0159	0.1784
BBVASM	Corp Bond 7.25 04/22/20 P1R23DAA4	7.25		115.350	0.74%	$ 270K	112.502	115.249	$ 500K	114.500	114.350	$ 200K	4.7027	4.1894	4.69%	0.25	0.0546	0.6132
BBVASM	Corp Bond 6.5 03/10/21 IBCID85409531	6.5		C112.022		$ 350K	111.223			112.022			4.4979		5.34%	0.33	0.0614	0.6911
BBVASM	Corp Bond 7.0 12/01/25 055291AC2	7.0		C112.440		$ 15K	114.240	115.972	$ 30K	112.440			5.3027	5.115	8.03%	0.79	0.0937	1.0533
BBVASM	Corp Bond 6.75 09/30/22 IBCID110591982	6.75		C113.473		$ 500K	112.252	114.749	$ 250K	113.473			4.8965	4.5494	6.30%	0.47	0.0733	0.8228
GAMMM	Corp Bond 01/15/05 IBCID77503677																	
AMXLMM	Corp Bond 5.5 01/27/15 IBCID68241770	5.5		C103.030						103.030					0.42%	0.00	0.0044	0.0491
AMXLMM	Corp Bond 5.5 01/27/15 IBCID64954002	5.5		C101.933		$ 100K	99.500	102.058	$ 175K	101.933			6.7098	0.5146	0.42%	0.00	0.0043	0.0481
AMXLMM	Corp Bond 5.5 11/15/19 IBCID71652927	5.5		C96.250						96.250					4.52%	0.22	0.0442	0.4967
AMXLMM	Corp Bond 5.5 11/15/19 IBCID77863313	5.5		C114.078						114.078					4.59%	0.23	0.0530	0.5965

IB Analysis and Charts

México - Datos de mercado

Región/Mercado	Tarifas no pro./mes	Tarifas pro./mes
Mercado de Derivados de México (MexDer)	5,00 USD	15,00 USD
Bolsa Mexicana de Valores Nivel I	12,00 USD	30,00 USD

- **Mission**

> "Create technology to provide liquidity on better terms. Compete on price, speed, size, diversity of global products and advanced trading tools."
>
> *– Thomas Peterffy, Founder and CEO*

- **Growth**