

Capitalab and Eurex first in Europe to execute compression in equity index derivatives

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LONDON, July 28, 2021 /PRNewswire/ -- Capitalab, a division of Aurel BGC and BGC Brokers LP, entities within the BGC Partners, Inc. (NASDAQ: BGCP) group of companies, collaborates with Eurex to execute the first compression in equity index derivatives in Europe. Eurex is the first European exchange to support compression services in its listed equity index business, addressing the industry-wide challenge of high cost of underlying capital for trading derivatives. Capitalab now offers compression of exchange-traded European equity index derivatives, starting with EURO STOXX 50 Index Options listed at Eurex.

This new service enables Eurex participants to proactively reduce their open positions and lower the capital costs of derivatives. Positions are netted against each other multilaterally, so each participant's position is reduced. Risk parameters set by the participants ensure that the portfolio's risk position only changes within a predefined tolerance.

As a first stage, it is expected that one compression run per month will be conducted. Extension to additional products will depend on market demand.

Jean-Pierre Aubin, co-global head of brokerage at BGC Partners and CEO of Aurel BGC: "Capitalab are pleased to work with Eurex and offer compression services for one of the most liquid benchmark index options worldwide. We expect the service to provide significant capital relief, especially as client participation gains momentum."

Michael Peters, CEO of Eurex: "We have been collaborating with Capitalab to adopt compression for our benchmark equity index derivatives. This is the solution to customer demand to optimize their outstanding positions and utilize capital more efficiently."

EURO STOXX 50 Index Options are the fifth most traded options contracts worldwide. Open interest in EURO STOXX 50 Index Options currently stands at 34 million and EUR 1.1 trillion notional outstanding.

About Capitalab

Capitalab, a division of Aurel BGC and BGC Brokers LP, provides compression services that are designed to bring greater capital and operational efficiency to the global derivatives market. It assists clients in managing the growing cost of holding derivatives, while helping them to meet their regulatory mandates. Through the Swaptioniser® service for portfolio compression of Interest Rate Swaptions, Interest Rate Swaps, Caps and Floors, Equity options, FX and FX Options, as well as its Initial Margin Optimisation service and fully automated trade processing, Capitalab looks to simplify the complexities of managing large quantities of derivatives to promote sustainable growth and lower systemic risk and to improve resiliency in the industry. The Capitalab brand is part of the Fenics fully electronic family of brands. Aurel BGC is authorised and regulated by the French regulators, the Autorité de Contrôle Prudentiel et de Résolution and the Autorité des Marchés Financiers, and is based in Paris. BGC Brokers LP is authorised and regulated by the UK Financial Conduct Authority and is based in London. Aurel BGC and BGC Brokers LP are both subsidiaries of BGC Partners, Inc. (NASDAQ: BGCP), a leading global brokerage and financial technology company.

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BGC Partners, Inc. ("BGC") is a leading global brokerage and financial technology company. BGC specializes in the brokerage of a broad range of products, including Fixed Income (Rates and Credit), Foreign Exchange, Equities, Energy and Commodities, Shipping, Insurance, and Futures. BGC also provides a wide variety of services, including trade execution, brokerage, clearing, trade compression, post-trade, information, and other back-office services to a broad range of financial and non-financial institutions. Through brands including Fenics, BGC Trader, Capitalab, Lucera, and Fenics Market Data, BGC offers financial technology solutions, market data, and analytics related to numerous financial instruments and markets. BGC, BGC Trader, GFI, Fenics, Fenics Market Data, Capitalab, Lucera, Corant Global, Corant, and Piiq are trademarks/service marks and/or registered trademarks/service marks of BGC and/or its affiliates.

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Statements in this document regarding BGC that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the effects of the COVID-19 pandemic on the Company's business, results, financial position, liquidity and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, BGC undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.

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About Eurex

Eurex stands for the leading European derivatives exchange and – with Eurex Clearing – one of the leading central counterparties globally. Being architects of trusted markets characterized by market liquidity, efficiency, and integrity, we provide our customers with innovative solutions to seamlessly manage risk.

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