



Exchanges Have Maintained Orderly Markets During the COVID-19 Crisis

Cboe operates both options and equities exchanges. In addition to regulating the markets we operate, Cboe invests significantly to ensure our markets are fair and orderly for investors and operate reliably and efficiently - even during times of market stress and high volatility. Maintaining accessible, liquid, and resilient markets is of paramount importance to Cboe. We are proud that during the recent period of heightened volatility and increased trade and message traffic volumes, the exchange infrastructure was well-prepared and operated without any downtime or material disruption. Notably, this was done while rapidly moving all employees to a work-from-home environment and abruptly migrating to fully electronic trading as we shut down our high volume trading floor.

Exchanges Continued to Provide Robust and Liquid Markets during the COVID-19 Crisis

Cboe options and equities exchanges provide tremendous utility to investors, especially during times of extreme market stress and volatility. For example, the Cboe Volatility Index (VIX Index) has risen from an intraday low of 16.19 on February 21 to an intraday high of 49.48 on February 28 to a closing level of 82.69 on March 16 – the highest closing VIX Index level of all time and largest since the 2008 financial crisis.¹ Moreover, on February 24, 2020, **Cboe Options handled 11.3 billion orders and quotes and traded 10.4 million options contracts during a single trading day.**

Recent and historical Cboe market volumes provided below highlight the surge in volumes that Cboe experienced.

MONTHLY TRADING VOLUME						Year-To-Date		
	March 2020	March 2019	% Chg	February 2020	% Chg	March 2020	March 2019	% Chg
OPTIONS (contracts, thousands)						Year-To-Date		
Trading Days	22	21		19		62	61	
Total Volume	263,373	148,748	77.1%	209,552	25.7%	665,343	430,838	54.4%
Total ADV	11,971	7,083	69.0%	11,029	8.5%	10,731	7,063	51.9%
FUTURES (contracts, thousands)						Year-To-Date		
Trading Days	22	21		19		62	61	
Total Volume	7,545	5,338	41.3%	7,182	5.1%	20,514	14,112	45.4%
Total ADV	343	254	34.9%	378	-9.3%	331	231	43.0%
U.S. EQUITIES (shares, millions)						Year-To-Date		
Trading Days	22	21		19		62	61	
Total Volume	59,421	24,781	139.8%	28,464	108.8%	113,805	73,516	54.8%
Total ADV	2,701	1,180	128.9%	1,498	80.3%	1,836	1,205	52.3%

¹ The VIX Index exceeded an intraday high of 85 on March 18, 2020.

Cboe Global Markets, Inc. (Cboe) is one of the world's largest exchange holding companies and is a leader in providing global investors cutting-edge trading and investment solutions. Cboe has a strong history in product innovation, indexing expertise, options, and volatility. Cboe operates four U.S. options exchanges (Cboe Options, C2 Options, BZX Options, and EDGX Options), four U.S. equities exchanges (BYX Equities, BZX Equities, EDGX Equities, and EDGA Equities), one of the largest pan-European stock exchanges (Cboe Europe Equities), a futures exchange (CFE), a foreign exchange-trading platform (Cboe FX), and the leader in options education (Cboe Options Institute).



We've Done this Before

During the 2008 financial crisis which damaged many financial institutions, exchanges operated as they were supposed to and markets were readily available to investors who wished to enter into or exit positions. Through significant investments in robust infrastructure, exchanges have been able to function well and limit the amount of downtime during times of significant market events.

Market Structure Overhauls are Unnecessary

Exchanges have operated seamlessly during past financial crises and the recent financial upheaval and resulting volatile market conditions associated with the COVID-19 outbreak. U.S. equity and derivative market structure is sound. **Rulemakings and legislation that would overhaul what is working well should not be a policy focus. The top line question for policymakers as it relates to market structure should be whether the investor experience is sound. Given that market quality is better than ever, markets are more transparent and resilient than ever, and costs to trade are lower than ever- the answer is a resounding YES. As such, it is ill-advised to** perform major surgery on U.S. market structure. Market structure reform efforts should adhere to the “do-no-harm” mantra and should focus on modest improvements for which there is collaboration and general consensus, and areas where investors are poorly served.

About Cboe Global Markets

Cboe Exchange, Inc. (Cboe Options) (formerly the Chicago Board Options Exchange, Incorporated) was founded on April 26, 1973 and is the creator of standardized, listed options. Since its inception, Cboe Options has created nearly every options product innovation of note: equity options (1973) and index options (1983); LEAPS, which are long-term options contracts (1990); and FLEX options, which are customizable options contracts (1993). Additionally, Cboe Options pioneered the volatility space with the creation of the Cboe Volatility Index (VIX) in 1993, considered the world’s premier barometer of equity market volatility. In 2004, Cboe Options created Cboe Futures Exchange (CFE) to begin trading VIX futures. In 2006, Cboe Options began trading VIX options. VIX options and futures have been two of the most successful new products launches to date, not only for Cboe Options, but in the history of the financial industry. Today, Cboe Options’ volatility franchise includes more than three-dozen products and is a pipeline for continued innovation.

In 2017, Cboe completed its purchase of Bats Global Markets. Cboe is now the operator of: four U.S. options exchanges (Cboe Options, C2 Options, BZX Options, and EDGX Options); four U.S. stock exchanges (BYX Equities, BZX Equities, EDGX Equities, and EDGA Equities); one of the largest pan-European stock Exchanges (Cboe Europe Equities); a foreign exchange-trading platform (Cboe FX); and one futures exchange (CFE).

Helpful Links

For more educational information regarding options, please visit: <http://www.cboe.com/education/>.

For more information regarding Cboe legislative and policy issues, please visit: <http://www.cboe.com/aboutcboe/government-relations/>.

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