



## Tokyo Financial Exchange / Outlook 2010

**Tokyo Financial Exchange Inc.(TFX)** is a unique financial derivatives exchange in Japan which offers various products and trading opportunities to the world. With its flagship product of Three-month Euroyen futures and options, TFX has established its status as “Home Market for Euroyen” globally, and now more than 95% of Euroyen futures and options are traded on the TFX market.

The following products are currently available at TFX:

- Three-month Euroyen futures
- Options on Three-month Euroyen futures
- Over Night Call Rate futures
- Spot Next Repo Rate futures

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EXCHANGE  
  
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# TFX'S STRATEGY IN 2010

## 1. NEW SPECIFICATIONS FOR OVER-NIGHT INTEREST RATE FUTURES PRODUCTS

TFX will change the specifications of Over-Night Call Rate futures ("Call Rate futures") and Spot-Next Repo Rate futures ("Repo Rate futures") which have been listed on the market since December 2007. Under the new specifications, investors will be able to trade these products by speculating on moves of both the Call Rate and the Repo Rate over the interval between Bank of Japan's monetary Policy Meetings (MPMs). The new overnight interest rate futures will be made available for trading from June 28 2010.

## 2. NEW PRODUCT: EQUITY CFDs

TFX will be introducing a range of new equity index margin contracts - contracts for difference (CFDs) based on Japanese and major world stock indices. The launch of the new product aims to meet the needs of a wide variety of investors. The product will have no expiry date, meaning that is unnecessary to roll positions if you want to retain them. This is the first product of its kind in Japan.

## 3. EXPANDING CONNECTIVITY OPTIONS: ISVs, PROXIMITY SERVICES

Trading Technologies International (TT) will be joining TFX as the exchange's ISV partner. Launch of the TT connectivity to TFX is highly anticipated by the exchange and by market participants. Welcoming one of the acclaimed ISVs in the industry today, TFX hopes to enhance connectivity options available for market participants and also reach a new client base by leveraging TT's global network. The exchange continues to work with KVH and Equinix for the proximity service offering.

## 4. ENHANCING DMA FROM OVERSEAS: REMOTE TRADING MEMBERSHIP

In April 2008, TFX launched a Remote Membership Program which allows overseas investors, who have no offices in Japan, to become members of the exchange and access the TFX market directly. Currently, the program is available for investors in major financial centers, namely the UK, the U.S.A. and Singapore. Some of the firms who are in the process of gaining remote trading membership are expected to start trading this year.

## TFX MARKET OVERVIEW IN 2009

With prolonged uncertainty hanging over the global economy and monetary policies implemented by the Bank of Japan to ease financial conditions, 2009 was a challenging year for TFX. However, with continued interest and support from market participants around the globe, total trading volume for all TFX listed contracts in 2009 reached 83,678,044, a 25% increase from the previous year.

	2008 Volume	2009 Volume
STIR* F & O	23,625,799	13,098,108
Year on Year	-44.6%	-44.6%
Forex Margin Contract	43,301,268	70,579,936
Year on Year	28.9%	63.0%
Total	66,927,067	83,678,044
Year on Year	-12.2%	25.0%

\*Three-month Euroyen futures and Options, Over-Night Call Rate futures, GC Repo Spot-Next futures