



CME Group Launches Clearing Service for Mexican F-TIIE Overnight Index Swaps

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CHICAGO, Feb. 20, 2024 /PRNewswire/ -- CME Group, the world's leading derivatives marketplace, today announced that nine market participants have cleared over-the-counter (OTC) Mexican Overnight Funding Rate (F-TIIE) index swaps since the company launched its clearing service on February 5. The cleared F-TIIE overnight index swaps (OIS) represent more than 4.3 billion pesos (the equivalent of \$250 million) in notional value and support Banco de México's transition from its benchmark Interbank Equilibrium Interest Rate (TIIE) to the F-TIIE rate.

Market participants who have already cleared these swaps through CME Group include Banorte, BBVA, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, and Santander.

"Our new swaps clearing service provides critical infrastructure for clients navigating the F-TIIE benchmark transition," said Agha Mirza, CME Group Global Head of Rates and OTC Products. "Looking forward, we will continue to work to deliver capital efficiencies to market participants to help advance the development of Mexico's derivatives marketplace."

"Banco de México is fully committed to the development of financial instruments linked to Funding TIIE (F-TIIE)," said Gerardo Garcia, General Director of Central Bank Operations at Banco de México. "In this sense, the launch by CME Group of the OIS contracts linked to F-TIIE is a milestone for market development and undoubtedly speeds up and facilitates the transition towards the prevalent use of this rate as the main reference rate in Mexican pesos."

"The transition to risk-free-rates has picked up pace, and the market's ability to risk manage exposures linked to Banco de México's TIIE de Fondeo Rate is another important step on that journey," said Tony Evangelista, Executive Director, LatAm Trading at J.P. Morgan. "J.P. Morgan is delighted to be one of the first participants to clear F-TIIE OIS instruments at CME Group, and we look forward to the market's continued development."

"The successful launch of F-TIIE OIS clearing by CME Group marks a significant milestone in Mexico's transition to a risk-free rate," said Manuel Meza, Head of Global Markets at BBVA Mexico. "As a commercial bank, we are excited to see continued developments in this transition in order to best serve our customers."

In addition to clearing F-TIIE index swaps, CME Group offers [F-TIIE futures](#), which trade alongside SOFR futures and MXN/USD FX futures, providing a comprehensive hedging solution for the short end of the Mexican interest rate curve.

For more information on clearing F-TIIE index swaps at CME Group, please visit <https://www.cmegroup.com/articles/2023/transition-from-28d-tiie-to-tiie-de-fondeo-f-tiie-for-cleared-mxn-interest-rate-swaps.html>.

As the world's leading derivatives marketplace, CME Group (www.cmegroup.com) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). The company offers futures and options on futures trading through the [CME Globex](#) platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing.

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Media Contacts: Timothy Barelo, 212.299.2256 or Matt Southerlan, 312.622.8951, news@cmegroup.com, www.cmegroup.mediaroom.com; Investor Contact: investors@cmegroup.com