NAVIGATING UNCHARTED WATERS

NIRI–CHICAGO 2017-2018

The Long and Short of It: Options, Market Intelligence and Volatility

Panelists

Adam Frederick, Senior Vice President of Intelligence, Q4 Inc.

Russell Rhoads, CFA, Director, Product Advancement and Global Derivatives, Cboe Global Markets

Moderator

Deborah Koopman, VP, Investor Relations, Cboe Global Markets

Cboe Global Markets



NIRI VIX Slides

Cboe Volatility Index

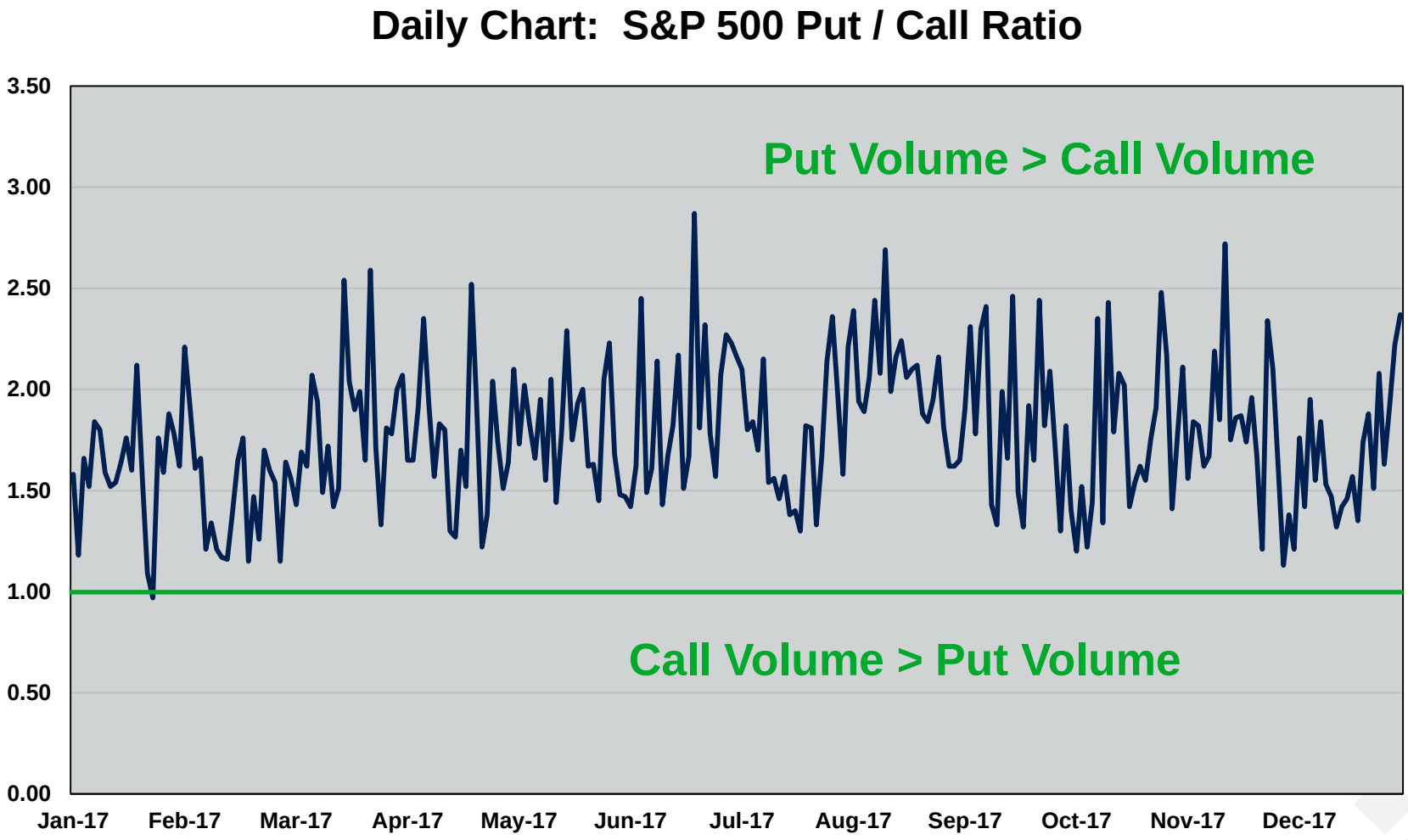
- The Cboe Volatility Index or VIX is a consistent 30 day measure of implied volatility as indicated by S&P 500 Index option prices
- The VIX Methodology is considered the industry standard for a consistent measure of implied volatility
- Historically VIX has displayed an inverse relationship with the S&P 500 which resulted in it being referred to as “the fear index”

VIX in 2017



Data Sources: Cboe Global Markets and Bloomberg

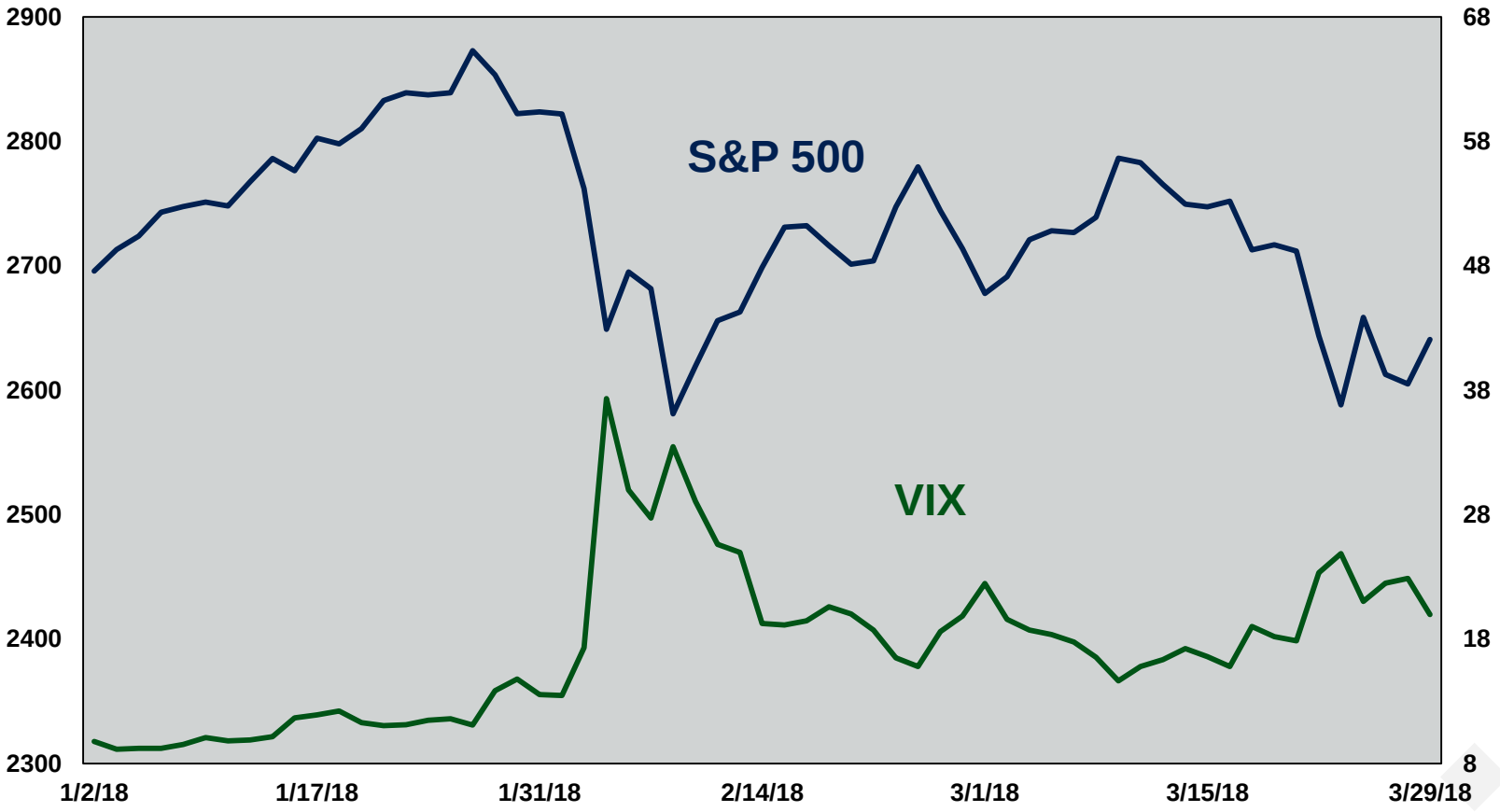
VIX in 2017



Data Source: Cboe Global Markets

VIX Q1 2018

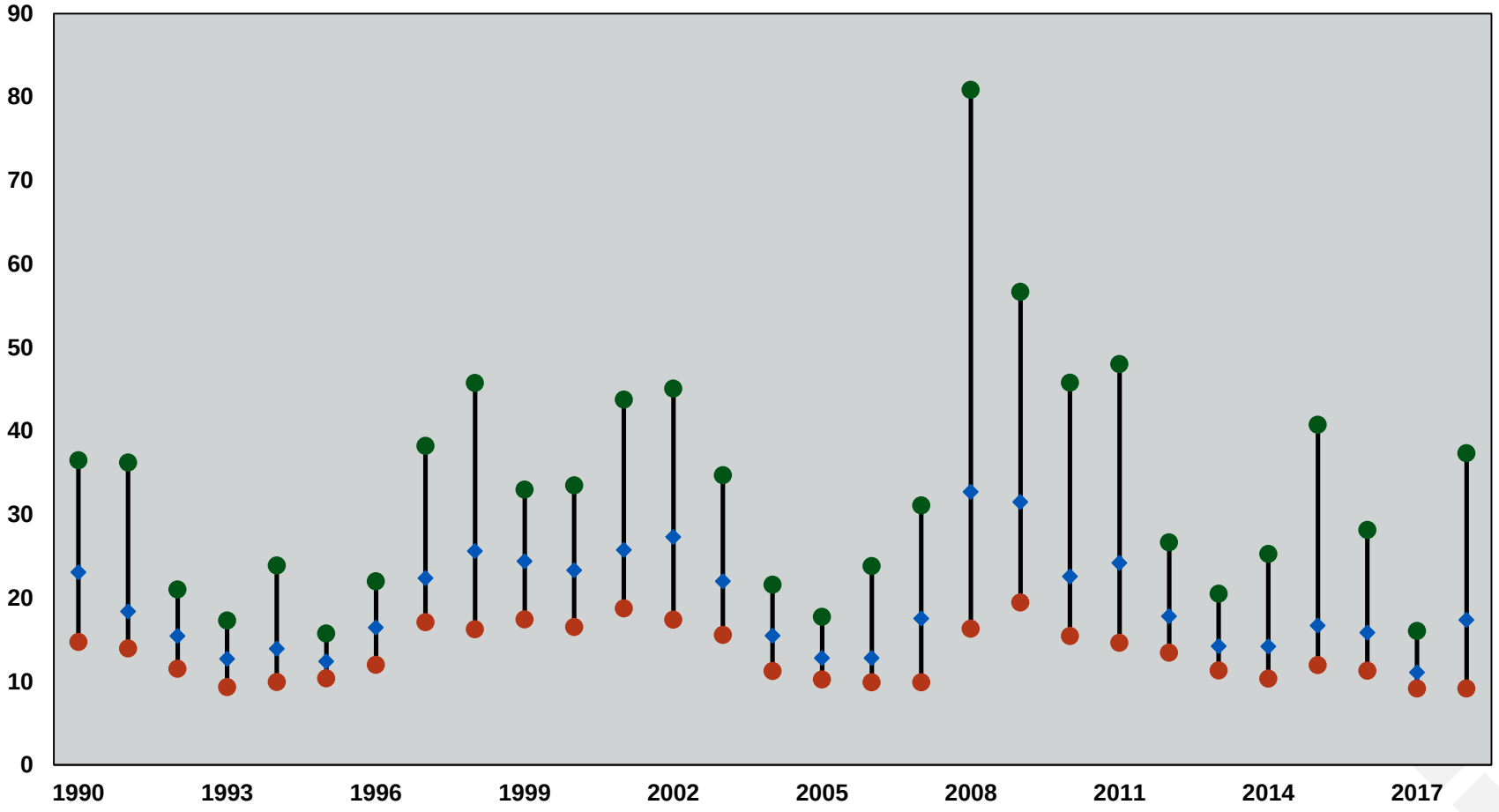
VIX vs. S&P 500 Daily



Data Sources: Bloomberg and Cboe Global Markets

Long Term VIX History

VIX High Low Average by Year*



*First Quarter 2018

Data Source: Cboe Global Markets

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Q4

OPTIONS INTELLIGENCE & THE IRO

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Why Options?

Leveraging data available from options empowers IROs with actionable, predictive intelligence surrounding their company's trading and investor engagement.

Options Intelligence



Real-time market intelligence



Accurately predict future trading



Ensure messaging is resonating



Monitor activism, sentiment & market expectations

Options Intelligence



Pre-earnings insight & market expectations



Improve timeliness of stakeholder communications



Details on trading activity & market moving developments



Post-earnings reactions & changes in sentiment

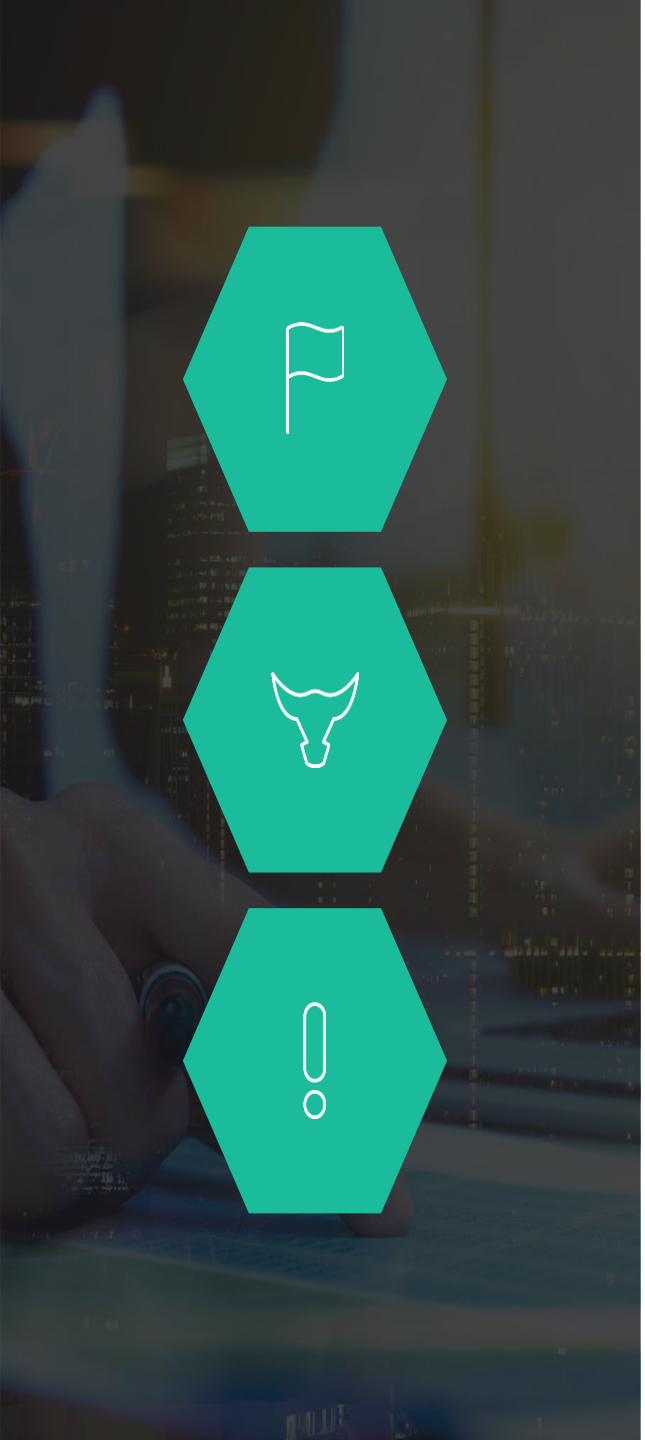


Pre-Conference preparedness



Proactively monitor for Activist Investors

Q4



Predictive Tools

Activist Alarm indicates when a potential activist accumulation is occurring by analyzing unusual activity in the stock and options markets.

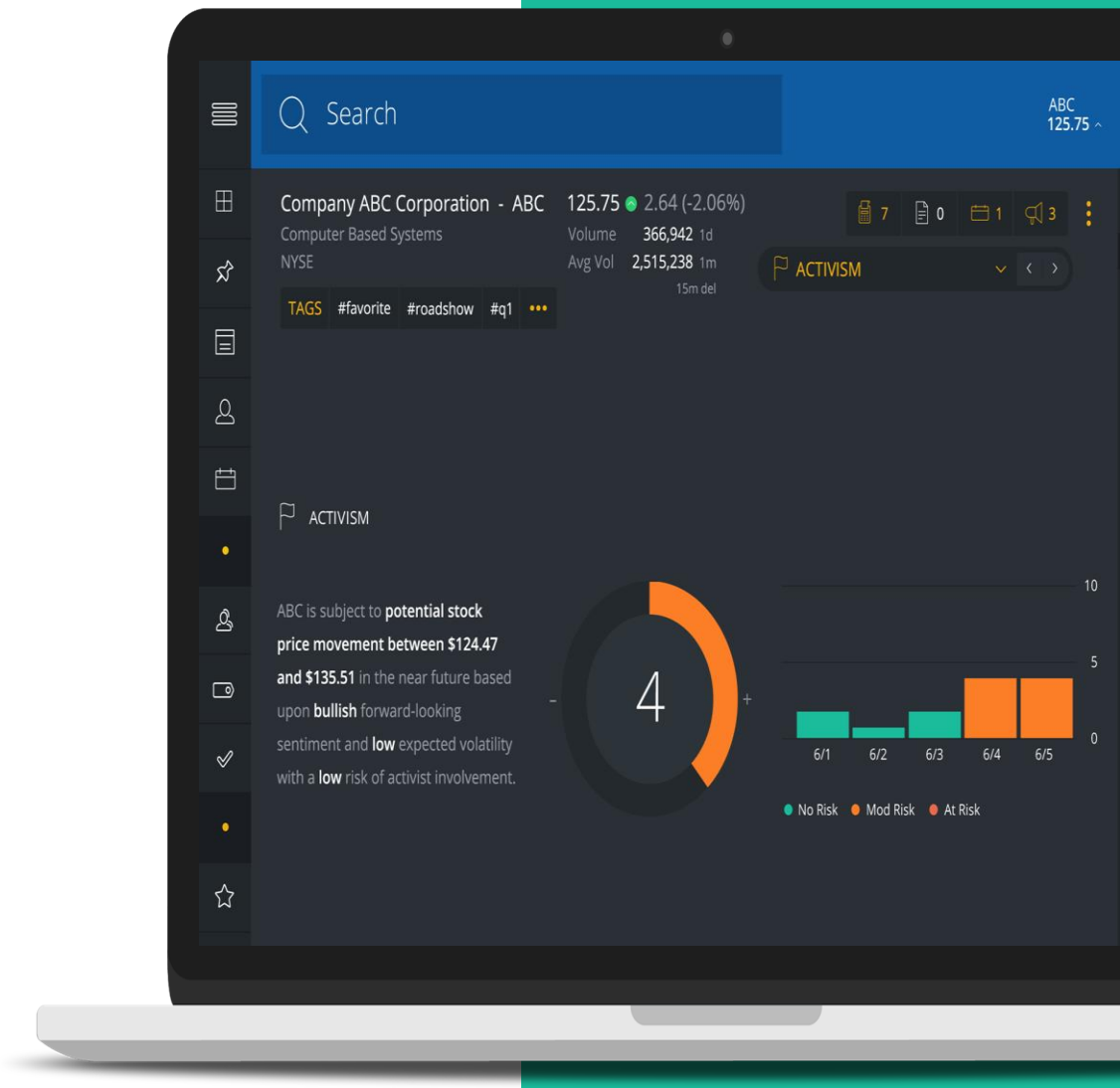
Sentiment Indicator analyzes stock and options order flow to decipher the market's forward-looking sentiment over the coming days and weeks.

Volatility Indicator provides a quantifiable, forward-looking model of market expectations.

Trading Analytics

Provides predictive insights into key trading metrics to provide forward-looking actionable intelligence for IR and C-Suite members.

- Track key predictive indicators to understand volatility, sentiment and activism
- Anticipate stock movements related to known and unknown events
- Historical trading indicators to identify patterns and track changes
-



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Benefits of Options Intelligence

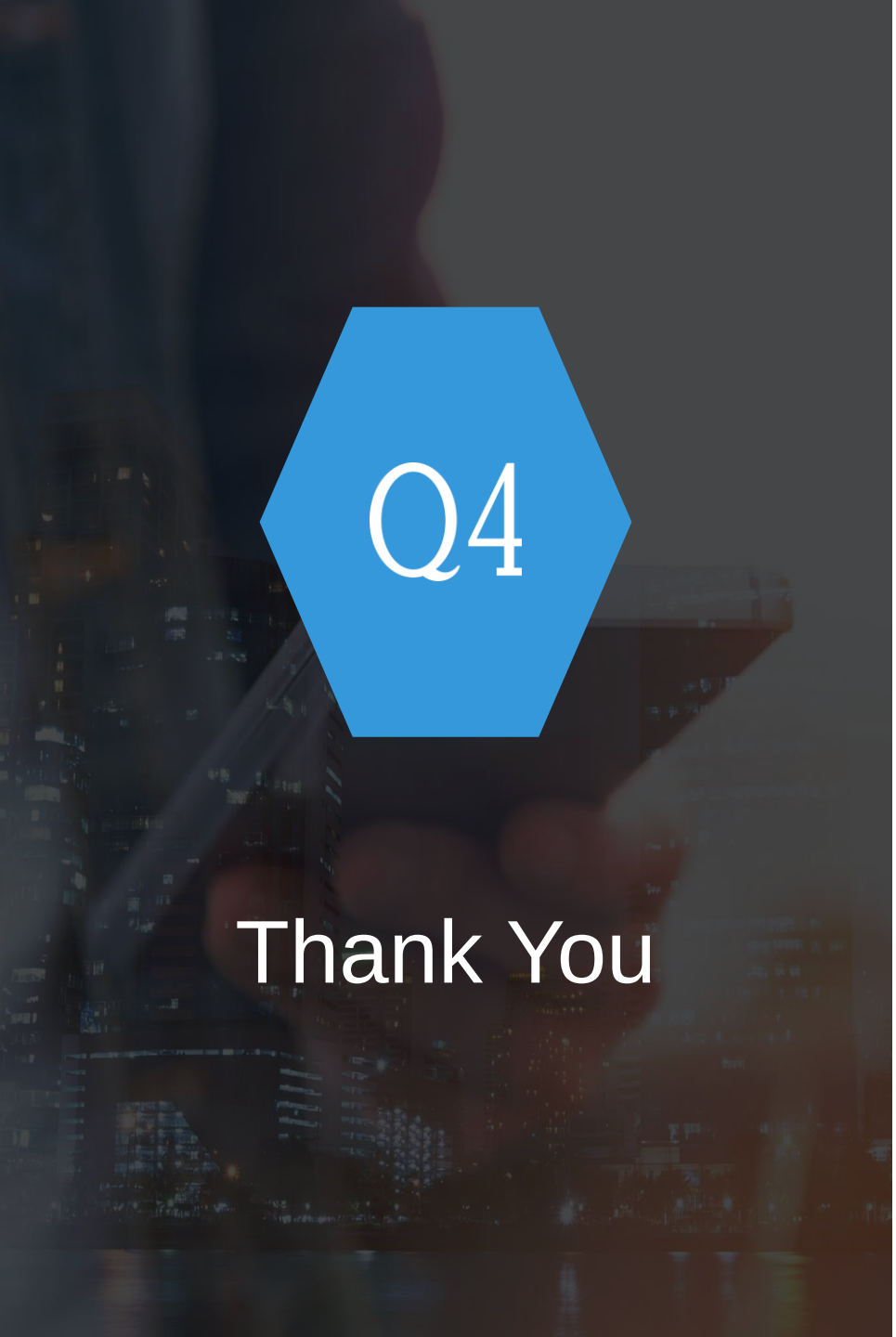
Answers the question: What is the market's true sentiment on our shares?

Insights on relative peer performance & potential arbitrage impacts.



Understand market expectations.

Proactively identify Activists.



Thank You

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