



INTL FCStone Markets Division Launches New OTC Interest Rates Swap Products

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Company introduces cap and floor options on LIBOR to provide comprehensive interest rate hedging solutions

NEW YORK, Sept. 13, 2018 /PRNewswire/ -- INTL FCStone Inc. (NASDAQ: INTL) today announced that its Chicago-based subsidiary, INTL FCStone Markets, LLC ("the Company"), has expanded its OTC interest rates swap dealing capabilities to include cap and floor options on the London Interbank Offered Rate (LIBOR) with tenors out to 10 years. The launch of these new products expands and enhances the Company's existing OTC FX & Interest Rates trading and advisory offerings, creating a comprehensive interest rate hedging solution for corporate hedgers, real estate investors, and agribusinesses.



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OTC products, available through INTL FCStone Markets, are designed to deliver benefits similar to exchange-traded futures and options, but can offer customizable terms (e.g. non-standard quantities, strike prices, expiration dates, etc.) that align more closely with hedging needs. Demand for interest rate hedging has grown steadily over the past two years, as the 150-basis point increase in LIBOR is putting increased pressure on balance sheets exposed to floating rates. Introducing more complex interest rate hedging capabilities offers more flexibility to control interest rate exposure on both sides of the market.

Eric Donovan, Managing Director of OTC FX & Interest Rates, commented on today's news, "The launch of these new products continues to demonstrate our leadership in the interest rates derivatives business, as providing straightforward solutions and transparent pricing directly to hedgers eliminates the need for potentially costly intermediaries. Consequently, we anticipate that our OTC interest rates swap dealing business will grow significantly because of these new products."

Cap and floor options enable corporate hedgers, real estate investors, and agribusinesses to set rates while minimizing and simplifying the impact they have on a balance sheet. Similar to interest rate swaps, these long-term interest rate options can be purchased for any notional amount and will have multiple settlements based on LIBOR. However, unlike swaps which have exposure to both sides of the market, an interest rate option trades with a single premium and strike price. With these new products, INTL FCStone is able to offer strategies that can be used to protect against volatility on LIBOR.

Donovan continued, "Non-bank lenders such as insurance companies and pension funds have increased the need for a direct third-party provider of interest rate hedging tools. We have a view that rates will continue rising, but you have to be prepared for potential volatility. Options allow you to make smarter decisions on market risk, as well as in how you access capital. With more choices than ever when it comes to structuring debt, the ability to use swaps, caps and floors to your advantage can make a major difference in the total cost of funding."

The INTL FCStone Markets division was the first non-bank company registered provisionally as a swap dealer with the Commodity Futures Trading Commission. The Company's market makers draw on backgrounds in banking, commodity futures trading and physical merchandising, and on perspectives gained both on exchange floors and in multi-screen, algorithmic trading environments. In all cases, OTC products create more flexible, customizable solutions.

About INTL FCStone Markets, LLC

INTL FCStone Markets, LLC (IFM) a subsidiary of INTL FCStone Inc., is a member of the National Futures Association (NFA) and provisionally registered with the U.S. Commodity Futures Trading Commission (CFTC) as a swap dealer. The trading of derivatives such as futures, options, and over-the-counter ("OTC") products or "swaps" may not be suitable for all investors. Derivatives trading involves substantial risk of loss, and investors should fully understand those risks prior to trading. IFM's products are designed only for individuals or firms who qualify under CFTC rules as an 'Eligible Contract Participant' ("ECP") and therefore, IFM only transacts derivatives with ECPs. IFM only undertakes promotional activities within the Colombian territory through its Representative office in Colombia. Promotional information provided by the Columbia Representative office is retained as general information. IFM is exclusively responsible for the acceptance, transmission or execution of transactions or orders, which only binds IFM.

About INTL FCStone Inc.

A Fortune 500 company with a nearly 100-year track record, the company focuses on providing products and services within the commodities, securities, foreign exchange and global payments sectors. INTL customers include the producers, processors and end users of virtually every major traded commodity; commercial counter parties; and governmental, nongovernmental and charitable organizations. The company also serves institutional investors, brokers, professional traders, CTA/CPOs, proprietary trading groups, commercial banks and major investment banks. The company is listed on the Nasdaq under the ticker symbol "INTL."

Further information on INTL FCStone is available at www.intlfcstone.com.

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