

## NEWS RELEASE

### **CITY INDEX SEES ROBUST INCREASE IN FX AND CFD TRADING VOLUMES**

**SINGAPORE**, 18 November, 2008 – City Index Asia Pte Ltd, a leading provider of online foreign exchange (“FX”) and contract for differences (“CFD”) trading services in Asia, today said that it has seen increasing levels of activity on its FX and CFD trading platforms. This in part has been brought about by a growing number of investors seeking alternative investment options to maximize returns in the current volatile market conditions.

Mr David Grant, Executive Director of City Index Asia, said, “In Asia, our average daily FX trading volume during the months of August to October 2008 was doubled and it was almost 8 times higher in the month of September as compared to January; and with the global equity markets heading south, our CFD daily trading volume has also seen a sterling increase of around 476% in the last three months.

The sub-prime crisis in the US has triggered the plummet of stock markets worldwide. Since August to the low, the Dow Jones Industrial Index has dropped around 30%, FTSE 100 has plunged by about 32%, and Nikkei and the Straits Times Index have slid by about 47% and 45% respectively. The past few months also saw a significant increase in currency movements of more than 25% on some of the major currencies, leading to more activity in the FX trading volumes.

“Savvy retail investors have realised that what works in a bull market – taking long positions in equities – is not the best investment strategy when the bears are at play. Many are seeking alternative instruments like FX and CFDs in terms of extracting value out of the current downturn in the market.”

Mr Grant added, “The increase in FX trades has been very much higher compared to equity CFDs due to markets in the US, Europe and elsewhere having shorting restrictions placed on the underlying equity markets and so FX, with its 24 hour market, has seen a marked increase in activity.”

The popular currency pairs being traded on City Index include EUR/USD; GBP/USD; USD/YEN and EUR/YEN.

(For the most traded CFDs and FX pairs, please refer to Appendix.)

## **Contracts for Differences**

A CFD is an agreement to exchange the difference between the opening and closing value of a contract on an underlying instrument (e.g. a stock or index) at its close. In addition to directional trades, CFDs also provide investors with a vehicle to hedge against short term movements in prices of underlying assets while maintaining a long term view. For example, even if investors have a long term view on a particular stock; they can take short positions in CFDs on the same stock to immunize themselves against short term price fluctuations.

“At City Index, we do not only offer CFDs on individual stocks listed in Asian, European and North American stock markets but also CFDs on the major global indices, exchange traded funds and currencies. Unlike warrants and other more complicated instruments, CFDs are easier to trade and understand - for a start, CFDs do not expire and they mirror the prices on the underlying market. Currently, the most popular CFDs traded on our platform are the stock indices – Wall Street 30, S&P 100, UK 100, and Hong Kong 40, and, understandably, stocks in the financial services sector globally are also seeing some increased activity,” commented Mr Grant.

Mr Grant added, “In a mature CFD market like the UK, it is estimated that about 35% of the daily trading volume on the London Stock Exchange is attributable to CFD activity, and the CFD market there is still growing. In Singapore, CFDs as an investment instrument is relatively new, having been introduced only about four years ago. We do see significant growth potential in trading volume as more local investors learn about the product and include it as part of their investment strategy.”

As part of its efforts in growing this market segment, City Index Asia conducts workshops and seminars for interested investors. So far, City Index has spoken at Invest Fair, educating CFDs and FX; provide tutorials on using its online trading platforms, as well as demonstrating to investors how to utilise its charting software to perform technical analysis. The free workshops are conducted periodically; interested investors can visit its events page <http://seminars.cityindexasia.com> for details and registration.

## **About City Index Asia Pte Ltd**

Incorporated in Singapore in January 2004, City Index Asia Pte Ltd (Co Reg.No: 200400922K) is a wholly owned subsidiary of City Index Limited, which has more than 25 years of experience in delivering market-leading retail trading services.

Widely-acclaimed for being innovative and forward-looking, City Index specializes in the provision of derivative and foreign exchange trading services. Its award-winning online trading platform is one of the best in the industry and it provides Contracts for Differences and Foreign Exchange trading with unrivalled technology. City Index transacts in excess of 1.5 million trades every month for individuals in over 50 countries worldwide.

City Index has a Capital Markets Services License from the Monetary Authority of Singapore and a Commodity Broker's License from International Enterprise Singapore.

For more information, please visit [www.cityindexasia.com](http://www.cityindexasia.com)

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## APPENDIX

- **Top 10 CFDs traded (in no particular order)**

August 2008	September 2008	October 2008
UK 100 CFD	UK 100 CFD	UK 100 CFD
GBP/AUD (per 0.0001) CFD	GBP/USD (per 0.0001) CFD	GBP/USD (per 0.0001) CFD
AUD/USD (per 0.0001) CFD	AUD/USD (per 0.0001) CFD	AUD/USD (per 0.0001) CFD
Ping An Insurance CFD	Wall Street CFD	Wall Street CFD
NZD/USD (per 0.0001) CFD	Hong Kong 40 CFD	Hong Kong 40 CFD
Singapore Exchange CFD	Singapore Exchange CFD	USD/JPY (per 0.01) CFD
DBS Group Holdings CFD	DBS Group Holdings CFD	Japan 225 CFD
EUR/USD (per 0.0001) CFD	Cosco Corp Singapore CFD	Germany 30 CFD
Yanlord Land Group CFD	United Overseas Bank CFD	EUR/JPY (per 0.01) CFD
Neptune Orient Lines CFD	City Developments CFD	US SP 500 CFD

- **Most traded currencies between August - October 2008 (in no particular order)**

August - October 2008
EUR/USD
GBP/USD
USD/JPY
EUR/JPY
AUD/USD
GBP/JPY
USD/CAD
EUR/GBP