



Gold Market Manipulation Update

Chris Powell, Secretary/Treasurer
Gold Anti-Trust Action Committee Inc.
CPowell@GATA.org

Mines and Money Asia Conference
April 2019



**Central Bank Incentive Program
Questions & Answers
February 2019**

1. What is the Central Bank Incentive Program?

The Central Bank Incentive Program ("CBIP") allows Qualified Participants to receive discounted fees for their proprietary trading of CME Group products. All trading activity under the CBIP must be conducted directly through accounts registered to the Qualified Participant or separate accounts managed by a third party on behalf of the Qualified Participant. Qualified Participants receive discounted fees on CME, CBOT, and NYMEX products and COMEX futures products for electronic trading only. Qualified Participants will receive discounted fees through January 31, 2020.

2. How does an applicant qualify for the CBIP?

To qualify for and become a participant in CBIP (a "Qualified Participant"), the applicant must:

- Be a non-U.S. central bank, multilateral development bank, multilateral financial institution, sub-regional bank, aid coordination group, or an international organization of central banks
- Complete a CBIP application and be approved by CME Group.
- Execute all trades solely for the benefit of, and in the Qualified Participant's name.
- Register one or more portfolio managers or representatives.
- Have a relationship with a CME Group clearing member.
- Have authority to participate in a fee incentive program (i.e. no public or internal policies prohibiting participation).

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2018

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-31553

CME GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
20 South Wacker Drive, Chicago, Illinois
(Address of Principal Executive Offices)

36-4459170
(IRS Employer
Identification No.)
60606
(Zip Code)

Registrant's telephone number, including area code: (312) 930-1000

Securities registered pursuant to Section 12(b) of the Act:

The customer base of our derivatives exchanges includes professional traders, financial institutions, institutional and individual investors, major corporations, manufacturers, producers, governments and central banks. Customers may be members of one or more of our exchanges. Rights to directly access our derivatives markets will depend upon the nature of the customer, such as whether the entity or individual is a member of one of our exchanges or has executed an agreement with us for direct access.



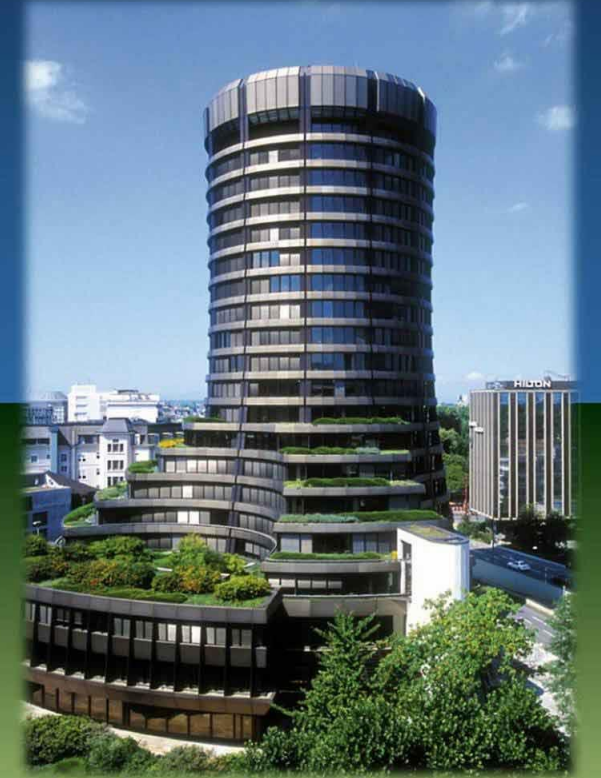
BANK FOR INTERNATIONAL SETTLEMENTS

Statement of account
SDR millions ¹

At 31 Mar 2018			Assets	At 28 Feb 2019		
		%				%
(1)	73,150.0	28.5	Cash and sight accounts with banks	30,718.7	11.5	
(2)	23,429.6	9.1	Gold and gold loans	22,762.9	8.5	
(3)	31,760.9	12.4	Treasury bills	39,698.5	14.8	
(4)	44,112.9	17.2	Securities purchased under resale agreements	70,435.0	26.3	
(5)	22,428.6	8.7	Loans and advances	43,326.2	16.2	
(6)	52,881.0	20.6	Government and other securities	52,626.3	19.7	
(7)	1,725.1	0.7	Derivative financial instruments	2,500.2	0.9	
(8)	6,809.0	2.7	Accounts receivable and other assets	5,208.4	2.0	
(9)	192.3	0.1	Land, buildings and equipment	186.3	0.1	
(10)	256,489.4	100.0	Total assets	267,462.5	100.0	
Liabilities and equity						
		%				%

**Bank
For
International
Settlements**

**Basel
Switzerland**



ALEX X. MOONEY
2ND DISTRICT, WEST VIRGINIA

FINANCIAL SERVICES COMMITTEE

SUBCOMMITTEE ON
CAPITAL MARKETS AND
GOVERNMENT SPONSORED ENTERPRISES

SUBCOMMITTEE ON
MONETARY POLICY AND TRADE

Congress of the United States
House of Representatives
Washington, DC 20515-4802

February 5, 2019

CHARLESTON OFFICE:
405 CAPITOL STREET
SUITE 514
CHARLESTON, WV 25301
(304) 925-5964

MARTINSBURG OFFICE:
300 FOXCROFT AVENUE
SUITE 101
MARTINSBURG, WV 25401
(304) 264-8810

WASHINGTON OFFICE:
1232 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2711

<http://mooney.house.gov>

The Honorable J. Christopher Giancarlo
Chairman
U.S. Commodity Futures Trading Commission
1155 21st Street NW
Washington, D.C. 20581

Dear Chairman Giancarlo:

Late last year, the U.S. Justice Department obtained a guilty plea from a former commodities trader for JP Morgan Chase & Co. to charges of manipulating the gold and silver markets between 2009 and 2015, and its investigation into the actions of related parties is ongoing.

The period at issue substantially overlaps the time during which your commission was investigating complaints of manipulation of the silver market, 2008 to 2012. However, in 2012,

ALEX X. MOONEY
2ND DISTRICT, WEST VIRGINIA

FINANCIAL SERVICES COMMITTEE

SUBCOMMITTEE ON
CAPITAL MARKETS AND
GOVERNMENT SPONSORED ENTERPRISES

SUBCOMMITTEE ON
MONETARY POLICY AND TRADE

Congress of the United States
House of Representatives
Washington, DC 20515-4802

CHARLESTON OFFICE:
405 CAPITOL STREET
SUITE 514
CHARLESTON, WV 25301
(304) 925-5964

MARTINSBURG OFFICE:
300 FOXCROFT AVENUE
SUITE 102
MARTINSBURG, WV 25401
(304) 264-8810

WASHINGTON OFFICE:
1232 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2711

<http://mooney.house.gov>

April 24, 2018

The Honorable Steven Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Jerome Powell, Chairman
Board of Governors of the Federal Reserve System
2000 L Street, NW
Washington, DC 20036

Dear Secretary Mnuchin and Chairman Powell:

As you know, the Federal Reserve has repeatedly articulated an “inflation targeting” policy which seeks deliberately to devalue the unbacked Federal Reserve Note at a specific rate per year.

Indeed, the purchasing power of our currency has fallen some 97% since Congress passed the

FINANCE

Former JP Morgan trader pleads guilty to manipulating US metals markets for years

PUBLISHED TUE, NOV 6 2018 • 3:30 PM EST | UPDATED MON, NOV 12 2018 • 10:43 AM EST

Hugh Son | Dan Mangan
[@HUGH_SON](#) | [@_DANMANGAN](#)

SHARE



UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

The Bank of Nova Scotia,

Respondent.

)
)
)
)
) CFTC Docket No. 18-50
)
)
)
)

RECEIVED CFTC



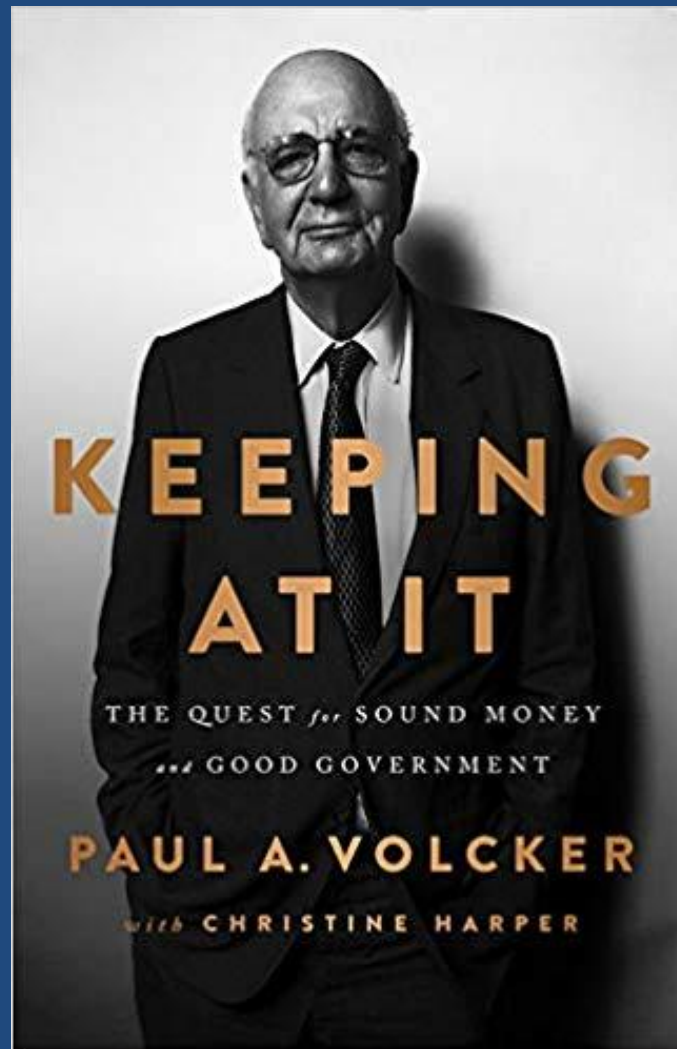
Office of Proceedings
Proceedings Clerk

12:50 pm, Sep 28, 2018

ORDER INSTITUTING PROCEEDINGS PURSUANT TO
SECTION 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT,
MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

I. INTRODUCTION

The Commodity Futures Trading Commission ("Commission") has reason to believe that



Given the delay, I landed in Bonn just in time to see Schmidt's plane take off for Paris. Forewarned of my arrival, he wanted to prepare a common position with the French. I stayed overnight in Bonn, and saw Schmidt and the Bundesbank president the next day. I got enough encouragement to travel to Paris and London and even Rome, where the currency market disturbances had originated.

Finally, at a Sunday midnight meeting at Giscard d'Estaing's apartment in Paris, a consensus was reached. The proposals with respect to exchange rates were agreed.

Moreover, there was no objection to George Shultz's position that, with a big adjustment in exchange rates, the United States could safely lift its controls on foreign investment and bank loans. (Our domestic wage and price controls and the 10 percent import surcharge had already been ended.)

I was disappointed by another point. The newly agreed exchange rates and gold price (\$42.22), in my view, would be highly vulnerable to renewed speculation. To convey a sense of confidence, we should be prepared to intervene collectively to stabilize the gold market: in effect create a new gold pool. That, unfortunately, was not agreed.

The Japanese had shadowed my trip to Bonn by sending a former vice finance minister who was well known to me. Once the Europeans confirmed the agreement, Japan did as well. My four-day odys-

2018年8月13日

石林 金與銀

黃金永恒牛派對與錯



[放大圖片](#) / [顯示原圖](#)

本報主筆畢老林上周五在其專欄「投資者日記」大字標題提到「石林叔」，本人受寵若驚之餘，對其過譽真愧不敢當。畢老林在文中提到某些網站博客是看好黃金的死硬派。事實上確是如此，任何時候你看媒體或網站，看好黃金的意見往往是佔大多數。其實這是人的天性，人們對所喜之物及投資對象潛意識都傾於看好，網站或媒體的編輯 ...

Il Sole 24 ORE FINANZA & MERCATI

LE NUOVE REGOLE DELLA BRI

Banche, il ritorno del «gold standard»: l'oro nei bilanci diventa moneta

—di **Alessandro Plateroti** | 25 febbraio 2019



Che cosa sta succedendo sulle riserve auree mondiali? Sul mercato dell'oro c'è un clima da guerra fredda: per la prima volta in 50 anni, le banche centrali hanno comprato

For More Information

www.GATA.org

CPowell@GATA.org

Thank you