

S&P Dow Jones Indices and B3 Launch the First Implied Volatility Index for Brazil's Domestic Market Based on Cboe's VIX Index Methodology

NEW YORK, March 19, 2024 /PRNewswire/ -- S&P Dow Jones Indices (S&P DJI), the world's leading index provider, and B3, the exchange of Brazil, today announced the launch of a new implied volatility index, the first to monitor Brazil's domestic market, based on Cboe Global Markets' proprietary Cboe Volatility Index (VIX® Index) Methodology.

S&P Dow Jones Indices

A Division of **S&P Global**

Designed to measure near-term volatility implied by Ibovespa B3 options prices, the S&P/B3 Ibovespa VIX index offers a transparent and efficient 30-day view into the Brazilian market's expectations for volatility.

This new Brazilian benchmark seeks to provide market participants with a better understanding of the magnitude of potential movements within the Brazilian equity market and a glimpse into how those movements may impact their portfolios.

"S&P Dow Jones Indices is pleased to collaborate with B3 on this momentous launch, which further expands the applicability of volatility-based benchmarking tools, not just within the U.S., but in key markets around the world," said Tim Brennan, Head of Capital Markets at S&P Dow Jones Indices. "Introducing implied volatility indices such as the S&P/B3 Ibovespa VIX index reflects the liquid ecosystem of products in Brazil and is additive to S&P DJI's market-leading indices offering."

"The new index adds to B3's product portfolio a volatility indicator that can be used by financial professionals as a reference to measure risk perception. The options market in Brazil has reached a new level in terms of traded volume, which has allowed the launch of this index and made it possible to bring to the local market a methodology that is already well established in other parts of the world," said Henio Scheidt, Manager of Indices at B3.

S&P DJI and Cboe have licensed the use of the VIX Index methodology to several exchanges and index firms around the world. As such, the S&P/B3 Ibovespa VIX index further expands S&P DJI's suite of implied volatility barometers measuring investor sentiment and market volatility globally.

"Cboe is pleased to work with S&P DJI and B3 and provide licensing of our VIX Index methodology for use in new markets," said Catherine Clay, Head of Global Derivatives at Cboe Global Markets. "The launch of the new B3 index not only underscores the universal utility and innovation of the VIX Index as a benchmark for equity market volatility but also marks a significant step in enhancing the financial ecosystem across regions globally. The new index launch reflects the global financial community's recognition of the important role the VIX Index has in providing market participants with a clear and measurable gauge of expected volatility."

Cboe's VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of the S&P 500® Index (SPXSM) call and put options. Developed based on the VIX Index methodology, the S&P/B3 Ibovespa VIX index similarly uses options prices rather than stock prices in its calculation because options prices reflect the buyers and sellers' expectations of volatility on the Ibovespa B3. While the S&P/B3 Ibovespa VIX index is not a tradeable product, the benchmark index is designed to provide visibility into market sentiment that can aid market participants' understanding of the level of perceived risk and a 30-day view of the potential range of Ibovespa B3 returns.

For more information about S&P Dow Jones Indices, please visit <https://www.spglobal.com/spdji/en/>.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit <https://www.spglobal.com/spdji/en>.

ABOUT B3

B3 S.A. (B3SA3) is one of the main financial market infrastructure companies in the world and one of the largest in terms of market value among global leaders in the exchange industry.

It connects, develops, and enables the financial and capital market and, together with customers and society, it boosts Brazil's growth.

It trades in stock exchange and OTC environments, and offers products and services to the financing chain. Headquartered in São Paulo and with offices in Chicago, London, Singapore, and Shanghai, it performs important functions in the market by promoting best practices in corporate governance, risk management and sustainability.

VIX® and Cboe® are registered trademarks of Cboe Exchange, Inc. ("Cboe") and have been licensed for use by S&P Dow Jones Indices.

The VIX Methodology is the property of the Cboe, and Cboe has granted S&P Dow Jones Indices a license to use the VIX Methodology to create the S&P/B3 Ibovespa VIX index and has agreed that S&P Dow Jones Indices may permit values of the S&P/B3 Ibovespa VIX index to be disseminated. Cboe does not make any representation regarding the S&P/B3 Ibovespa VIX index or the advisability of relying on such index for any purpose, and Cboe does not sponsor, endorse, sell or promote any investment product that is or may be based on such index.

Ibovespa, Ibovespa B3, and B3 are trademarks of B3 S.A. - Brasil, Bolsa, Balcão.

FOR MORE INFORMATION:

S&P Dow Jones Indices

Alyssa Augustyn
Americas Communications
(+1) 773 919 4732
alyssa.augustyn@spglobal.com

B3

+55 11 2565 7639
imprensa@b3.com.br

SOURCE S&P Dow Jones Indices

<https://press.spglobal.com/2024-03-19-S-P-Dow-Jones-Indices-and-B3-Launch-the-First-Implied-Volatility-Index-for-Brazils-Domestic-Market-Based-on-Cboes-VIX-Index-Methodology>