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Intercontinental Exchange, Inc. (ICE)

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MANAGEMENT DISCUSSION SECTION

Patrick J. O'Shaughnessy
Analyst, Raymond James

All right. We will go ahead and get started. I'm Patrick O'Shaughnessy, Capital Markets Analyst here at Raymond James. Pleased to have Scott Hill, CFO of Intercontinental Exchange, join us this morning. Format for this presentation is just going to be a fireside Q&A between myself and Scott, and then we'll open up to audience Q&A at the end.

So, Scott, thanks for joining us.

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

Thanks for having us, Patrick. We appreciate it.

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QUESTION AND ANSWER SECTION

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

So, Scott, let's start with a high level question. How would you describe ICE's business model today to a new investor and what do you think is unique about that model?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Okay. So, that's a long question, I'll try and be somewhat concise. But our business model generally is to help our customers discover prices, manage risk or to build capital, and we do that by offering global markets in commodities by offering the trading at the New York Stock Exchange, and then by selling data related to it. I think importantly, roughly half our business is annuity like in nature. Literally, if you look at the guidance we gave for our data business this year, you can write it down as done for 2019, we will grow 5% plus or minus in a data business that has industry leading above 50% margins. And that data informs a lot of what happens on the trading side of our business where people are managing the risk.

My neighbor, Paul from Delta was in the room just before me. He needs the price tickets for the rest of the year. In order for him to do that, he needs to know what the price of oil is going to be three months from now, six months from now, nine months from now, he'll manage that risk in our markets and he'll make his trades based on the data that comes from the trading. And so to some extent the trading creates the data, which informs the trading, and so, it really builds on itself. Because of the fact that our business is roughly 50% annuity, we have very good visibility in the cash flows, we returned a record nearly $1.8 billion last year.

If you look at the run rate of what we said for January and our dividend increase, which is up 15% year-over-year, we launched the dividend in 2013 and increased it double digits every single year since then. Our capital returns this year on our share buyback run rate will push us closer to $2 billion this year. We've committed to returning a 100% of our cash flow that isn't related to strategic needs or M&A. So again, it's all about price discovery and risk management, it's annuity in half the business, it's high margin in all of the business, and an extremely strong cash flow generator.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. And to maybe follow up on some of that. Can you maybe dive into how the whole is greater than the sum of the parts, maybe a couple of examples of some deals you've done where now you own that asset mix and more valuable assets?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. So, it's a good question. So again, I think a big part of why the whole is more important than the parts, if you broke the business apart, we've got half our business, the trading and clearing business, it's in global commodities, global oil, globalizing natural gas, global agricultural product, above 60% margins – best-in-class margins from a trading and clearing business standpoint. If you look at the other half of the business, the data business is a business as I said earlier that's going to grow 4% to 6% this year that's over 50% margin. And so, best-in-class margins and competitive growth rates in terms of the top line. So standalone, they're both great

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business, but they feed up each other and that's what unique to our business model is when delta is managing the risk to exposure trading in our market, they're utilizing the data in our energy package in order to do that.

If you have fixed income or bonds that are in your portfolio, you come to us for the price, because price discovery on bonds doesn't really happened on electronic exchange, it happens in an algorithm. And so, we've got through our ICE Data Services business, we've got almost 3 million bond prices that we're able to sell in. And so, if you've got bonds in your portfolio you're a customer of ours, and in fact those customers come back 95% retention rate in that business. And so, the data business is by the way also, not only is it a high margin fast growing business, but it's the largest proprietary data business in the world which again goes back to why is it better in the whole than in the parts, because it really is about the proprietary content across the network that we have.

And that's what's really fundamentally important is we've got a network where global commercial participants trade on our network where financial managers that have bonds or are buying our bond prices, and so – an example of a deal, we bought a business from S&P a few years ago called the Securities Evaluation Business. But what it really was is muni bond prices. And so, all of a sudden we were able to take those muni bonds and sell it into the broader data network that we have. We bought a business called SuperDerivatives, that does more complex derivative portfolios and FX, they largely sold the Tier 3 bank. On our network, we've got Tier 1, Tier 2, Tier 3 financial institutions, we're able to sell across that network. And so for us, it's really about the content and the ability to sell that content across a really broad network.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Okay. And you really made your big move into data services back in 2015 when you bought IDC, that's a pretty big pivot for ICE at the time. What should ICE see in IDC to really justify making that bet?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. And so, when we closed the deal in 2015, I would say, there were probably three or four key elements of the deal. Number one, it was a business that grew 2% to 3% a year, had 95% retention, you couldn't invest in bonds and not have IDC prices, but that was it. And so, we saw an opportunity in that business to really innovate around products, to get to know the customers better, to improve technology, and we thought that we could, if we did that, we could grow that business faster. And if you look, Pricing and Analytics is about half our data business, it's the bigger part of what IDC used to be. Last year second half, it grew 7%. This year, it'll grow 7%. And so, a business we thought we could take from 2 to 3 times to something more, it is growing 2.5 to 3 times faster than it was. So, we thought we could accelerate the top line growth and we've done that.

The second thing is, is in any big deal and this was a $5.5 billion deal, we thought we could run the business more efficiently, and so we said we'll generate over $100 million in synergy, we'll deliver the last part of that this year. And again we've embedded it into a data business that now generates margins that last year were 51%, which is the best in the industry. So, we thought we could grow it faster, we thought we could run it more efficiently.

I think the most important part of it though was it really was a move less in the data, and again it provides a large, high retention annuity like revenue stream, but it's a big move into the fixed income space, and we weren't really meaningfully in that space. It's a market that we believe will over time mature into more of an electronic trading market. But as opposed to what we've historically done, which has come to a market with trading platforms and clearing solutions given the way price is discovered in the fixed income market, we thought here it will be better to start with the data and then move to the trading, and so that's really the key next strategy. So, we've done all the

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other – we're growing it faster, we've improved the efficiency, we fully integrated it, it's on our technology. And now, we're making the big push for that business to get deeper into the electronification of fixed income trade.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. And in the last year or so, a little bit more than a year, you spent $1.2 billion to buy a couple of fixed income trading platforms, TMC Bonds and BondPoint, those are generally retail-focused platforms right now. Is it a fair assumption that you didn't spend $1.2 billion to dominate the retail space, but your aspirations are probably a little bit more broad in that institutional market is probably early in days of becoming electronic, and that's what you're really going after?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yes. So, I think the retail market is important, and I think will continue to be important, we said with that business the $1.2 billion that we spent we've got a $100 million revenue business that was at 40% margins. I think, I know we can get those businesses in the 60s in terms of margin, and we're going to need to double the revenue to get to our return on investment. And I think we can do that largely with what they are. But strategically, it is a space we think can grow, and the institutions will matter. And in fact, some of the former owners of the TMC platform, which is one of the two, are ones who now can participate more on those markets.

And so, I don't think it's necessary that we move that way in order to justify or to deliver the committed returns on investment, but I think it's an important part of the broader strategy, which is to move this market towards more electronic trading. A big additional part of that is we're now working to create what we call an ETF hub. And for those of you who are familiar with it, there is a big move – the ETFs in the cash equities market is longstanding, lots of money invested there. Fixed income is a newer shift in terms of how people are investing in fixed income. But in order to do that today, if you want to buy a bond ETF, you can create one, they've got to go create that share, they've got to buy bonds. If you want to sell an ETF, you've got to go and redeem those bonds. That's effectively a buy-sell.

And so, our sense is, and today that happens in 12 different places in 8 different ways with multiple different participants, we're working with partners to build a hub where that can happen one way across the industry and we're hooking our electronic trading platforms into the back end of that. And so, if somebody comes and says, hey, I want to buy a share, okay, I've got to go get the bonds or I want to sell a share, okay, I need to sell those bonds. That's going to move on to the electronic trading platforms that are associated with the hub, which will create liquidity. And our sense is if you take the existing liquidity that's in the click-to-trade already, if you take the RFQ capability that we've now built out, and then you add in the create redeem liquidity, you'll create a pool that will become interesting to a broader set of fixed income investors, and what we've seen historically is to the extent you can build deeper liquidity, liquidity attracts liquidity. And so, overall, again, it's an extension of IDC was an acquisition to move into fixed income, the bond trading platforms where the technology necessary to trade, the hub is where it really all comes together.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

And what's your timeline like right now for the ETF hub kind of going live and your expectations from when it starts to see some real volume?

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Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. So, our expectation right now is that the hub will go live later this year. I think from an actual contribution and volume standpoint, it's really more of a 2020 story. But given the number of partners who've reached out to us and talked to us about what we're building and wanted to partner with us in building it, I'm excited about it. And again, it's something for those of you who aren't as familiar with our story, I think one of the things that ICE has done well over the years and I'm sure you'd have a view on this, is we've delivered growth in the current year and in fact we've delivered earnings per share growth every single year since we've been a public company and on average 18% a year. And the way we've been able to do that is we invest today, so the next two or three things that will drive the growth in the future. The hub is one, the mortgage investments are another that I think are exciting, but it's really I think the hub is a driver for us in 2020, 2021 and in the future.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got you. And then, obviously there are existing bond trading platforms out there right now, how do you see your solution is differentiated versus what those can currently provide?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. So again, today, there's – the fixed income market, most estimates would say, it's maybe 10% to 15% electronic and largely that's through RFQ and the largest player in this space is they provide some click-to-trade, but it's really largely RFQ. And RFQ for me is a bit like block trades, you still have some of that in our commodities markets as well where people are trying to do really large size, so that'll continue. But I don't think if you look at more mature electronic trading markets, that's going to be the nature of the trade. I think it's going to be a click-to-trade central limit order book, where you've got relatively small size, but trading frequently. And in fact, we put out some numbers coming off the last call that would suggest we're already seeing that. Our volumes were about I want to say something close to 20%, the notion was up 50%, which says that those smaller size trades we're more of them. And so, that's an indication to me that the market is starting to move a little bit towards smaller size, on a click-to-trade. And again, if you look at evolved trading markets, that's the way they trade in and that's where we sense fixed income to go.

To be clear, it's not going to be 100% of the market, right. I mean in the cash equities market, there's ICE stock, there's one Delta stock, Paul and I each have multiple bonds that exist. But on the run, near the run, we do think those can trade electronically and our sense is that over time the market is going to want a solution where they're able to do smaller size, make an investment in a deep liquidity pool and that's what we think we're building.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. Let's circle back to the data services broader point. So, in your 2017 Investor Day, you guys spoke to aspirations of mid- to high-single digit growth – revenue growth to your data services business. Your guidance for 2019 is 4% – 5% to 6%, if I remember correctly.

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah.

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Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

So, how would you evaluate the performance of that business since your Investor Day, and how have your expectations maybe changed or not changed since then?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yes. So, expectations have not changed. And we feel like we've delivered on exactly what we said we'd do two years ago every single year. And so, just really again for those of you who aren't familiar, what we showed two years ago was a revenue model that effectively said in our data business there'll be five key growth drivers. One is price. We said about 30% of our revenue growth would come from price, and that's an expectation that we'll be able to increase price on some products each and every year, and again particularly we have a fixed income business, for example, that's got 95% retention, the old IDC business grew 2% to 3%, and that's how they grew, simply through price increases and we said we could continue to do that.

We said about 10% will come through M&A. The numbers you quoted are organic. And so, you don't really have, if you will, that one point of growth that would come from M&A. And then, the other 60% we said would come from a combination of new customers, new products and existing customers buying more, and there is obviously a little bit of overlap inside that 60%.

If you want to take an example of a part of the businesses that's doing exactly that, again look at the Pricing and Analytics part, 50% of our data revenues this year I said will grow 7% right at the high end of the model and it's all of those things, we're able to increase prices, we've created new products, best execution and liquidity indicators around the MiFID II obligation, that introduced us to new European customers, it's allowed us to sell those products into the U.S. for customers where it wasn't a regulatory mandate. And so, every element of the model is working on that aspect of the business. And so, I think that gives you an example of where the growth can come.

If you step back, the other half of the business is largely our exchange data, which ineloquently is the exhaust off the trade, it's the information we get from people who trade in our markets, our futures markets, our cash equities markets, and then the connectivity business, which is how people hook up to our trading exchanges and also hook up to buy our prices – our fixed income prices, and then the small desktop presence as well. Those two businesses, the futures part continues the grow with the new customers as the U.S. emerges as a key oil player, which drives connectivity, which drives data.

On the cash equity side, it's a little less in terms of the growth in customers and the ability to change prices. And so, there're elements of the business that aren't necessarily subject to all elements of the revenue model, there're parts of business that are, and when you put it all together, it's a business as you said we guided to grow 4% to 6%. And again, I'll reiterate the point, that's now done for the year. We will grow that, it will grow at over 50% margin and that's why we're confident in returning cash the way we have at the start of the year.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. And then, just kind of putting all together. You guys have a pretty broad business model at this point. So, a lot of stuff in trading, a lot of staff in data, and it's grown a lot over the last 20-plus years when ICE recently bought by the International Petroleum Exchange, and it was, hey, we're Brent crude, and then you added natural gas. So, now that it's so big, how do you manage that effectively? How do you put in place the structure that you need, so that despite all the disparate parts of your business that everything is getting the attention that it needs?

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Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. It's a great question and it's to step myself out of this for a second. It's a fantastic management team, but it's a fantastic management team because at the end of the day it's people who are very hands-on managers of the business. Lynn Martin, who runs our data business, we met her when we acquired the New York Stock Exchange, very hands-on, very customer focused, very product focused, very focused on bottom line and achievement. And the thing I could say about our team in London that runs our energy and European Ags business. So, it's a really good and really engaged management team led obviously by the founder of the company and really the true visionary in our space, Jeff.

But I think importantly the management team is about solving customer problems, it's about product innovation, the ability for us to focus on that is because we really do get to common technology, and so we don't have – Lynn is not worried about running a different technology, all our data businesses we're putting onto the safety network and we're putting onto a similar technology with similar information security. Our trading business, our futures business all run on the same trading platform, all clear on the same clearing platform. Our cash equities business obviously is a little bit different, it's a different technology, but we harmonize on technology, we harmonize on process, and then we have managers who are customer focused and innovation focused, are able to really drive the business forward and focus on their parts of the business. But then every Tuesday for two hours, we all get together and we talk about the breadth of the business.

And so, if there's a problem in one area and somebody who's not directly managing that can help solve it, he or she is able to put in an opinion say, this is what we should go and do. And the other thing that does is, is it aligns objectives. We lead that call every single Tuesday, knowing where we're headed, what we're focused on, what are the issues we're dealing with, what are the objectives for the year, and that alignment I think helps us to work as a team and ultimately really good individuals working as a team has delivered the 18% on average earnings growth every single year.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. And let's talk about some of those initiatives because you guys have a lot on your plate right now, you have ETF hub, which you just spoke about, ICE Bonds, Bakkt, MERS. Can you maybe talk about some of the – the ones that we haven't spoken about so far? And then, maybe besides ETF, what are you really excited about right now?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. Okay. So first of all, just to make the point, the ETF hub, Ben Jackson has been on the earnings call, leading that effort. The MERS, which is our mortgage business as Jeff's said, which is not a particularly well-named business, but it's a mortgage registry system, we now call it ICE Mortgage, which is a little easier to say and more intuitive, run by Chris McEntee, Bakkt run by Kelly Loeffler who used to have Warren's job. And so, again, we've got managers, very senior, very capable managers who're running each of those individual businesses. We talked about fixed income. I think that's the nearest term opportunity for us. We already have, if you put all the prices, the fixed income price, et cetera together, it's already probably a $1 billion dollar business give or take if you want to just start trading at the $100 million business, so it's meaningful. But I also think with the ETF hub this year, the evolution of that business is later this year and next year, 2021 is really a key growth.

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We haven't talked as much about the mortgage business, which for me is kind of the next in line. So, we bought a mortgage registry system. It's a business where roughly 75% of mortgages in the U.S. are registered. If you do a mortgage, you look down the page, you'll probably see something from MERS $11.95, that's what we get paid. If you do an eNote, you'll see another charge for $4 on that. Right now, really what we're focused on with that is the mortgage industry is still very, as Jeff call the analog, but very [indiscernible] (00:20:57). And so, our sense is there's an analog to digital shift to move from less automated to more automated that we can help facilitate. And by the way, good news is we guided to the fact that it was roughly an $80 million revenue business at an attractive margin, so we've already got the return on investments done. And so, largely it's upside as we shift that analog to digital. Again, if fixed income is later this year into 2020 and 2021, mortgage is probably a 2020, 2021, 2022 growth driver.

And then, Bakkt I think is the next interesting one that Kelly's running and that's really two parts. And part one is bringing the maturity of the trading and clearing infrastructure, the regulatory licenses that we have to trading of cryptocurrency. And ultimately though, I think there's a broader play in terms of – and if you look at the partners in that venture with us, people like Microsoft and Starbucks, I think the broader opportunity is the facilitation of payment. And so, that's early days, my guess is that plays out over time, Jeff said on the earnings call moonshot was the phrase he used, but we think it's an area where we have expertise, where our partners have noted that they have a need to improve the payment flows, but I think that one is probably a little bit longer term in terms of the contribution to our overall P&L.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Okay. And let's go back from the new to the old, and as mentioned earlier, you bought the International Petroleum Exchange in 2001.

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

And every year between 2001 and 2017, Brent Crude futures volumes grew. They shrunk slightly, I think that's minus 0.1% on average yearly volume basis in 2018. What do you make of that?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

So minus 0.1%, I'm going to call it flat because earlier it was flat in year 2018, after 17 years of growth. I think the more important point is to step back and look at the overall oil franchise that we have. So, it's not just about – Brent is a very important part it. For those of you who aren't aware, Brent oil contract is we're about two-thirds of the world's oil is benchmarked. You may have seen recently Saudi Aramco come out and say that they expect to be a player in the global price markets like a Shell or a BP, I will tell you that's millions of contracts traded that they don't trade today and they are benchmarked to Brent. And so, I think if you look at open interest levels, the Brent benchmark continues to be extremely important. But we built an oil franchise around it, right, and that oil franchise includes our swaps to the futures business, which are our U.S. oil contracts, U.S. is becoming a much more important player on the global oil landscape, our Permian contracts, that we've launched which is Gulf Coast oil onto a boat, again that's a I think Brent oil deliveries in the North Sea onto a boat and that boat can turn in 360 degrees and go where price tells her to go. The Gulf Coast will have that same ability as opposed to WTI, which is

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in the middle of Oklahoma, and obviously we can't turn in 360 degrees, we can but you're not going to be going anywhere on a boat from Cushing, Oklahoma.

But I think you have to step back and think about the global franchise, and then even inside it, gasoil, right, which is the diesel benchmark which is it's boat, it's planes, it's trucks, it's a primary fuel in Europe. And so, I don't look so much at just Brent and I really step back and look at the broader oil franchise. And I actually am very encouraged given that open interest has remained high across those products. And I think there's a big structural shift that's happened as the U.S. has become more important to global oil. And so, when it delivers onto a boat in the Gulf Coast, the reality is that that price is likely to have an absolute price, and then, a price relative to Brent, and a price of relative to WTI, and that will deepen the liquidity pool, not just of the absolute contract but also of those contracts against which it will be benchmarked. And so, I think it's good structurally overall, and I think the last point I would make is ours tends to be as you know, the more commercial of the market, and it's really those commercial participants who we've had a significant number of barrels already delivered for example against our Permian contract. That matters because that means commercially we're showing up with the oil.

Two-thirds of the world oil price is against Brent, that's the – Shell, that's BP, that's Total, it's why Saudi Aramco will say they make good on what they said on the trading, that's where it will happen. So, I think there's a structural shift that overall has grown the oil pool and you shouldn't get too lost on Brent. By the way just so you know, I'm not talking it down, again open interest level is very high and I believe that's the contract that will continue to grow in the future.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Fair enough. I think we're about five minutes left, so I will open it up to audience questions. All right. Full room, nobody is raising their hands. So, I will keep going. Let's talk about your natural gas complex.

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Okay.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

We're starting to see LNG pick up some steam, LNG volumes are increasing. Where do you see that product going?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. So, I think the – I mean, LNG is definitely emerging. We've got a key contract JKM in Asia, LNG contract is doing really well. But I think that's indicative of natural gas finally globalizing, right. And I've been in the job 12 years. For at least the last eight or nine years, my sense was that natural gas would ultimately globalize. I think LNG is an enabler of that. But what you're seeing is a big structural shift that's happening related to them.

And so if you look at our overall U.S. natural gas, volumes are down. But if you peel it apart, Henry Hub is way down, now like the 38th most important hub, and our basis market trading way up and open interest up like 60-something-percent last year. And that's because the commercials are moving away from the Henry Hub price setting to where do I actually put gas in a pipe or take gas out of a pipe. And so, that's a big structural shift in the U.S.

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In Europe, you're seeing a similar thing. The European trade is starting to centralize around the Dutch hub TTF and even there've been articles recently written that TTF could emerge as the global benchmark line, because it catches a part of the Asia day and it catches a part of the U.S. day. But again as I said earlier, the thing I like is TTF which by the way is on our – that's our index market, the basis markets which are our market, those are the commercial customers. And so, if they're taking or delivering natural gas in any form, they're going to be pricing that where they take delivery, they're going to be pricing it relative to the Dutch hub that they're exporting or relative to the JKM, if that's where they're trading, and that'll build liquidity and all those pools. And so, that's a big structural shift that I think is important from our investor standpoint, because again if you look at where the open interest is growing, it's growing where the commercials are. And if you've got commercials with open interests, when you get volatility, what do you get, trading volume. And you saw that a little bit in the back half of last year and my sense is that we're set up well for those as we move forward.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Got it. And maybe one last one from me. Obviously, the relationships between the stock exchanges and the SEC has been in the headline and a lot of noise around market data and connectivity. From your perspective as you manage the ICE and you manage the data services line in particular, is that all just kind of noise for you where frankly it's just not all that material?

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

A

Yeah. It is largely noise, but unfortunately it's noise that distracts our investors from time to time, which is a little bit [ph] frustrating (00:28:11), but just for context line, we showed a chart in our third quarter earnings that showed how well the New York Stock Exchange had grown. If you look at fourth quarter and even year-to-date volumes in that business doing really well, by the way roughly half of our exchange data is the [ph] tape (00:28:29). We don't sell the tape. We get our share of the tape based on our share of trading volume. So the fact that our share is up, our volumes are up will drive it, it's not that to do to make that true and if that last year was the opposite early part of the year until the fourth quarter.

So, it is a bit noise because there are parts that aren't controllable, and so where we really focus is the trading side of that market. And so with us gaining share, with us seeing volumes go up because of the volatility that's happening is the business right now we feel pretty good about.

Patrick J. O'Shaughnessy
Analyst, Raymond James

Q

Great.

Patrick J. O'Shaughnessy
Analyst, Raymond James

With that, we're out of time, but we'll do a breakout session downstairs. Thank you, Scott.

Scott Anthony Hill
Chief Financial Officer, Intercontinental Exchange, Inc.

All right. Thanks, everybody.

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