



ERIS INTEREST RATE FUTURES

FEBRUARY 2022



ABOUT INTERCONTINENTAL EXCHANGE

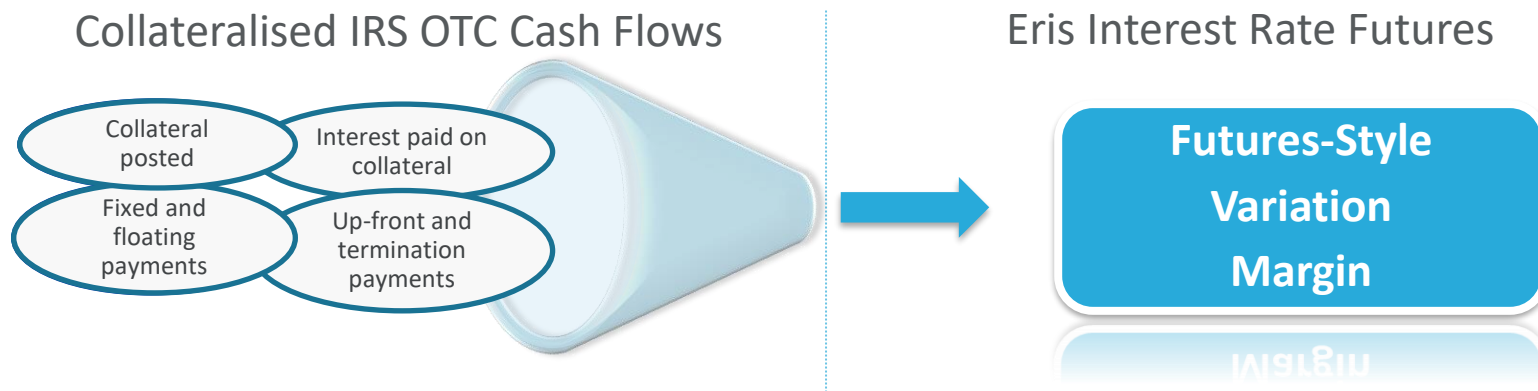
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INTRODUCING ERIS INTEREST RATE FUTURES

Eris Methodology™: Proprietary design replicates OTC Swap economics



- Trading on ICE Futures Europe and cleared through ICE Clear Europe
- Replicates all of the cash flows and economics of analogous OTC Swaps including Price Alignment Interest (PAI) into single VM cashflow
 - Apply existing models, tools and swap curves for analysis and valuation
- Capital, Margin and Operational Efficiencies of Exchange-Traded Derivatives
 - 2-day VaR versus 5-day or 7-day VaR
 - Leverage existing Exchange and Clearing connectivity infrastructure
 - Basis trade facility available
- Remain outstanding as futures until the Maturity Date (e.g. 5Y Standard will remain as a futures contract for 5 years)
- Cash settled at maturity with no risk of physical delivery

KEY TRADER INFORMATION

Key Points to Remember

- Contract Size = 100,000 notional
- Contracts from 2 to 30 year maturity
- **Price format follows futures convention**
 - “Long/Buy” = Receive Fixed
 - “Short/Sell” = Pay Fixed
- The ERIS futures price represents the all-in price; single price for trading and settlement
- Price transparency and anonymity in the Central Limit Order Book
- Block and Basis trade facility with relatively low thresholds

Minimum Price Movement	
Contracts where the lesser of Remaining Tenor/Underlying Tenor is	Minimum Trading Increment
< 2 years	0.001
>= 2 years, < 4 years	0.002
>= 4 years, < 7 years	0.005
>= 7 years, < 20 years	0.010
>= 20 years	0.020

ECONOMICS OF ERIS INTEREST RATE FUTURES

$$\text{Eris Futures Price} = 100 + A + B - C$$

A

Swap NPV

- Equivalent to NPV of OTC swap (OIS Discounted)
- Daily settlement of A is based on ICE Futures Europe swaps curve

B

Historical Fixed and Floating Amounts

- Accumulated net fixed and floating amounts since contract inception
- Changes coincident with fixed or floating coupon payment in equivalent OTC swap
- May be positive or negative
- Calculated and published prior to market open

C

Eris PAI™

- Synthetic interest on variation margin
- Accrues at Overnight rates for each currency
- Analogous to interest on collateral in a GBP 0 threshold CSA

100

Index Price

- Index price of GBP 100
- Reduces the likelihood of a negative Eris Futures Price

¹ The B & C values will be posted in the ICE Report Center as well as included in the FIX and iMPact API reference data: www.theice.com/marketdata/reports

CONTRACT SPECIFICATIONS

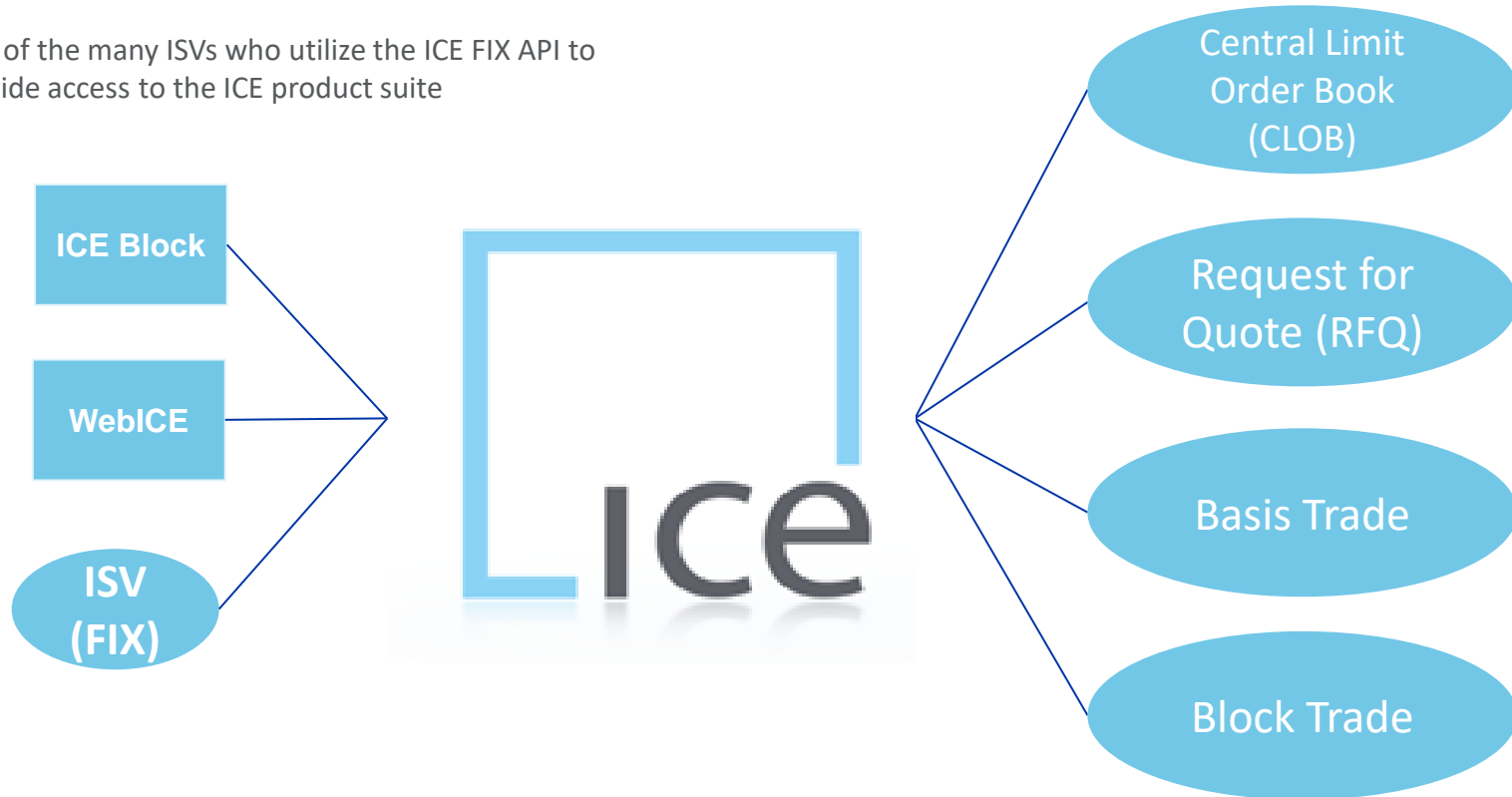
	EURIBOR®
Trading Hours	7:00 AM to 6:00 PM Local London Time
Underlying Tenor	The duration of time from the Effective Date to the maturity of the contract 2, 3, 5, 7, 10, 30 Years
Contract Size	€100,000
Fixed Rates	Pre-determined rate set by IFEU, which will remain static throughout the life of the Contract. Determined at listing date. One rate will be made available for each Effective Month
Floating Rate	6 month EURIBOR administered by the European Money Markets Institute (EMMI)
Daily Settlement	Daily Settlement Price at time $t = 100 + A_t + B_t - C_t$ DSP quoted to 4 decimal places
Final Settlement	Final Settlement Price = $100 + B_{final} - C_{final}$
Effective Date	Third Wednesday of Effective Month
Maturity Date	The final date to which fixed and floating amounts accrue. The last date of the contract
Last Trading Day	The business day preceding the Maturity Date
Effective Months Available	Front 2 Quarterly (March, June, September, December)
Matching Algorithm	FIFO
Block Thresholds	2-3 Years, 550 Contracts (€55,000,000) 5-7 Years, 350 Contracts (€35,000,000) 10 Years, 250 Contracts (€25,000,000) 30 Years, 50 Contracts (€5,000,000)

CONTRACT SPECIFICATIONS

	GBP SONIA
Trading Hours	7:30 AM to 6:00 PM Local London Time
Underlying Tenor	The duration of time from the Effective Date to the maturity of the contract 2, 3, 5, 7, 10, 30 Years
Contract Size	£100,000
Fixed Rates	Pre-determined rate set by IFEU, which will remain static throughout the life of the Contract. Determined at listing date. One rate will be made available for each Effective Month
Floating Rate	12 month compounded overnight GBP SONIA as announced by Benchmark Administrator and its Calculation Agent
Daily Settlement	Daily Settlement Price at time $t = 100 + A_t + B_t - C_t$ DSP quoted to 4 decimal places
Final Settlement	Final Settlement Price = $100 + B_{\text{final}} - C_{\text{final}}$
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EXECUTION

- ICE Trading Platform / ICE Block;
- One of the many ISVs who utilize the ICE FIX API to provide access to the ICE product suite



On-boarding process for WebICE or ISV

- A. Client contacts ICE User Administration (iceuseradministration@ice.com) for trading credentials
- B. Clearing firm sets account credit limits

On-boarding process for ICE Block

- A. Clearing Firm creates clearing Accounts for brokered / block transactions
- B. Clearing firm sets account credit limits for ICE Block

NEXT STEPS FOR TRADING

CONTACT THE FOLLOWING ENTITIES TO CONFIRM YOUR INTEREST IN TRADING ERI'S INTEREST RATE FUTURES

- ✓ CLEARER
- ✓ BROKER
- ✓ INDEPENDENT SERVICE VENDOR (ISV) / IN-HOUSE SOFTWARE DEVELOPER

ENSURE YOU ARE PERMISSIONED TO ACCESS AND TRADE ERI'S INTEREST RATE FUTURES, WITH RELEVANT CLEARING LIMITS IN PLACE

- ✓ ERI'S INTEREST RATE FUTURES WILL HAVE A NEW MARKET ID: **131**
- ✓ LIAISE WITH YOUR ICE ADMINISTRATOR

FOR MORE INFORMATION ON BECOMING A MARKET MAKER CONTACT THE INTEREST RATES TEAM

- ✓ RATES@ICE.COM

FOR MORE INFORMATION ON CONNECTIVITY CONTACT THE TECHNOLOGY PARTNERSHIPS TEAM

- ✓ TECHNOLOGYPARTNERSHIPS@ICE.COM

FOR A LIST OF APPROVED ISVS PLEASE VISIT

- ✓ [HTTPS://WWW.THEICE.COM/CONNECTIVITY/ISV](https://www.theice.com/connectivity/isv)

MARKET DATA

All market data is available to existing ICE Futures Europe customers at no extra cost:

Eris Interest Rate Futures IFEU / TT Code (March 2022)		
	EUR	GBP
2 Year	-0.50% 2GC	0.25% 6GF
3 Year	-0.50% 2HC	0.50% 6HG
5 Year	-0.25% 2JD	0.50% 6JG
7 Year	-0.25% 2LD	0.75% 6LH
10 Year	0.00% 2OE	0.75% 6OH
30 Year	0.25% 2SF	1.00% 6SI

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