

U.S. DOLLAR SWAPNOTE[®] FUTURES

Fast Facts

What is it?

U.S. Dollar Swapnote[®] is an on-exchange futures contract referenced to the U.S. Dollar interbank curve.

Who is it for?

U.S. Dollar Swapnote[®] futures are for anyone who wishes to gain or hedge exposure to the U.S. interest rate swaps curve via a centrally cleared contract.

What does it provide?

U.S. Dollar Swapnote[®] provides an open and efficient means of gaining U.S. Dollar swap market exposure in a contract that already meets new regulatory requirements.

Comprises the two, five, ten and thirty year futures contracts, providing wide coverage of the U.S. swap curve.

U.S. Dollar Swapnote[®] Futures Contracts

- Two Year U.S. Dollar Swapnote[®] Futures Contract
- Five Year U.S. Dollar Swapnote[®] Futures Contract
- Ten Year U.S. Dollar Swapnote[®] Futures Contract
- Thirty Year U.S. Dollar Swapnote[®] Futures Contract

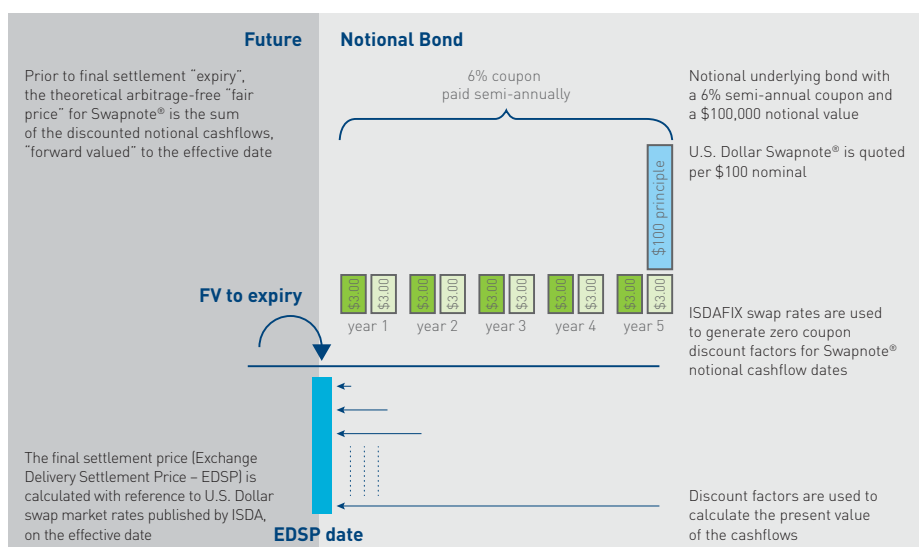
ICE's U.S. Dollar Swapnote[®] futures contract is priced like a bond future (with a fixed maturity and a fixed 6% coupon), but has the same yield structure as the U.S. Dollar swap curve. Referenced to the ISDA[®] (International Swaps and Derivatives Association) benchmark U.S. Dollar swap rate fixings, the contract is designed to closely track the benchmark U.S. Dollar swaps curve.

U.S. Dollar Swapnote[®] futures offer a new opportunity to trade and manage the basis between the U.S. interest rate swap and government bond curves.

U.S. Dollar Swapnote[®]: Key features

- Meets the needs of new derivatives market regulation, offering transparency and open access via a centrally cleared, nettable contract.
- Provides an efficient way to hedge longer-dated non-government yields and manage interest rate risk in relation to non-government investments.
- A cash-settled contract, removing the need to make or take delivery of an underlying bond.
- Utilises an established financial instrument to provide simple and efficient exposure to the swap curve, without the complication of managing long-term fixed and floating cashflows.
- Standardised on-exchange futures contract – no need for bilateral agreements.
- Complements ICE's short-term interest rate derivatives contracts to provide trading opportunities along the U.S. yield curve.

SWAPNOTE® FUTURES CONTRACT PRICING



EXAMPLE: EDSP FOR THE JUNE 2013 FIVE YEAR U.S. DOLLAR SWAPNOTE® FUTURES CONTRACT EFFECTIVE DATE 19 JUNE 2013

TERMS (YEARS)	DATE*	REFERENCE RATE**	DAYCOUNT	ZERO COUPON DISCOUNT FACTOR	CASHFLOW	DISCOUNTED CASHFLOW
0	19-Jun-13	0.37500		1.00000000		
0.5	19-Dec-13	0.32000	0.50000000	0.99999479	3.00000000	2.99998437
1	19-Jun-14	0.42500	0.50000000	0.99680512	3.00000000	2.99041536
1.5	19-Dec-14	0.64900	0.50000000	0.99442884	3.00000000	2.98328652
2	19-Jun-15	0.94700	0.50000000	0.99153662	3.00000000	2.97460986
2.5	21-Dec-15	1.26200	0.50555556	0.98660465	3.03333336	2.99270080
3	20-Jun-16	1.54900	0.49722222	0.98067421	2.98333332	2.92567805
3.5	19-Dec-16	1.80300	0.49722222	0.97239356	2.98333332	2.90097411
4	19-Jun-17	2.02200	0.50000000	3.00000000	3.00000000	2.88799056
4.5	19-Dec-17	2.20800	0.50000000	0.95120090	3.00000000	2.85360270
5	19-Jun-18	2.37200	0.50000000	0.93832142	103.00000000	96.64710626
					EDSP =	123.16

* The corresponding anniversary of the Effective Date.

** Reference rates for Term 0.5 is calculated using 3 month Eurodollar contracts. Reference rates for Terms 1, 2, 3, 4 and 5 are calculated using U.S. Dollar ISDAFIX rates. Reference rates for Terms 1.5, 2.5, 3.5 and 4.5 are interpolated from ISDAFIX rates.

Further Information

Interest Rate Derivatives

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