What is the Dollar Index™?

The U.S. Dollar Index is a geometrically-averaged calculation of six currencies weighted against the U.S. dollar. The U.S. Dollar Index originally was developed by the U.S. Federal Reserve in 1973 to provide an external bilateral trade-weighted average value of the U.S. dollar as it freely floated against global currencies. Since the inception of futures trading on the U.S. Dollar Index in 1985, ICE Futures U.S. compiles, maintains, determines and weights the components of the U.S. Dollar Index and causes it to be calculated and disseminated.

Which currencies are included in the U.S. Dollar Index?

The U.S. Dollar Index contains six component currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss franc. Before the creation of the euro, the original USDX contained ten currencies—the ones that are currently included (but not the euro), plus the West German mark, the French franc, the Italian lira, the Dutch guilder, and the Belgium franc. The euro replaced the last five of these currencies.

What are the formula and the percentage weights of the component currencies?

The U.S. Dollar Index is calculated with this formula:

\[ \text{USDX} = 50.14348112 \times \text{EURUSD}^{-0.576} \times \text{USDJPY}^{0.136} \times \text{GBPUSD}^{-0.119} \times \text{USDCAD}^{0.091} \times \text{USDSEK}^{0.042} \times \text{USDCHF}^{0.036} \]

Note that in the formula, when the U.S. dollar is the base currency, the value is positive; and when the U.S. dollar is the quote currency, the value is negative. The above value is compared against the U.S. dollar relative to March 1973, when the world’s major trading nations allowed their currencies to float freely against each other.

Not all the currencies have the same weight. Below are the weightings of each currency, and the image shows weight of each currency graphically.

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro (EUR)</td>
<td>0.576</td>
</tr>
<tr>
<td>Japanese Yen (JPY)</td>
<td>0.136</td>
</tr>
<tr>
<td>British Pound (GBP)</td>
<td>0.119</td>
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<tr>
<td>Canadian Dollar (CAD)</td>
<td>0.091</td>
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<tr>
<td>Swedish Krona (SEK)</td>
<td>0.042</td>
</tr>
<tr>
<td>Swiss Franc (CHF)</td>
<td>0.036</td>
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Is the ICE U.S. Dollar Index adjusted or rebalanced?
There are no regularly scheduled adjustments or rebalancings of the ICE U.S. Dollar Index. The Index was adjusted once when the euro was introduced as the common currency for the European Union (EU) bloc of countries. ICE Futures U.S. monitors the index methodology to ensure that it properly reflects the covered currencies and the FX market in general and makes adjustments as and when necessary.

**How is the U.S. Dollar Index calculated?**
The ICE U.S. Dollar Index is calculated in real time approximately every 15 seconds from a multi-contributor feed of the spot prices of the Index’s component currencies. The price used for the calculation of the Index is the mid-point between the top of the book bid/offer in the component currencies. This real-time calculation is redistributed to all data vendors. The prices of the DX futures contracts are set by the market, and reflect interest rate differentials between the respective currencies and the U.S. dollar.

**When did the ICE U.S. Dollar Index become available for exchange trading?**
Futures contracts based on the U.S. Dollar Index were listed on November 20, 1985. Options on the futures contracts began trading September 3, 1986. U.S. Dollar Index futures and options on futures are available exclusively on the ICE electronic trading platform.

**What is the contract symbol for the U.S. Dollar Index?**
The Exchange symbol for the futures contract is DX, followed by the month and year code. The Exchange symbol for the value of the underlying Dollar Index (sometimes called the cash or spot index) is also DX (without a month or year code), although different data providers may use different symbols. (One of the popular symbols is Bloomberg's DXY, so that the index is sometimes referred to as the “Dixie.”) A list of data vendor symbols for the U.S. Dollar Index futures contract is available by choosing “Vendor Matrix Spreadsheet” from the selections toward the bottom of the ICE Data Vendor Codes webpage on the ICE website.

**Given the foreign exchange market is a 24-hour marketplace, can I trade ICE U.S. Dollar Index contracts at any time?**
U.S. Dollar Index contracts trade electronically on the ICE electronic trading platform from 8:00 pm through 5:00 pm. ET the next day Monday through Thursday. Trading ends at 5:00 p.m. ET on Friday afternoon. On Sunday evening, trading in the contracts begins at 6:00 p.m. ET; the trading session that begins on Sunday evening ends at 5:00 p.m. ET on the following Monday evening. The ICE trading platform is available for order entry thirty minutes before the opening of trading.

Exchange rules also allow EFP trades in U.S. Dollar Index futures contracts. An EFP transaction may be executed at any time, whether during or outside of the trading hours of U.S. Dollar Index futures. In either case, the EFP should be submitted to the Exchange as soon as possible following agreement to its terms. ICE Block, the Exchange tool designated for the submission of EFPs, is available from the opening of the USDX market until 30 minutes after its close. EFPs can be entered directly into ICE Block by an ICE Futures U.S. clearing member or a customer authorized by a clearing member.

More information about EFPs can be found in the ICE Futures U.S. EFRP FAQ.

**How do market participants trade the performance of the U.S. dollar?**
Investors, hedge fund managers, commodity trading advisors and high net worth investors all trade variations of U.S. dollar indexes with commercial and investment banks. These various formulations of dollar indexes are proprietary indexes and do not offer the price discovery and transparency of an exchange-listed contract. The ICE U.S. Dollar Index futures contract is the only successful, publicly-available, regulated market for U.S. Dollar Index trading allowing virtually round-the-clock access to all investors and offering competitive pricing and full market liquidity.

**What are the contract specifications of the U.S. Dollar Index futures contract?**

The size of the U.S. Dollar Index futures contract is $1,000 times the index value—e.g., with the Index at 97.450, the value of the contract is $97,450. Each full Index point is worth $1000 (1.000=$1000). The smallest price increment for trading in the U.S. Dollar Index futures contract is .005, which is worth $5.

The U.S. Dollar Index futures contracts are listed for the March/June/September/December quarterly cycle. The futures contracts settle daily to the volume-weighted average price of all transactions executed in electronic trading in the closing period (2:59 – 3:00 p.m. ET). Even though the minimum tick size for the DX contracts is .005, the settlement prices for the contracts are expressed in .001 increments. For more information about the smaller settlement increment, please see the March 18, 2010 ICE Futures U.S. Exchange Notice.

The U.S. Dollar Index contract is settled quarterly. The quarterly settlement at the expiration of the contract is on the third Wednesday of the contract month. The last day of trading is the two business days prior to the third Wednesday of the contract month, and trading ends at 10:16 am ET on the last trading day. Unlike many index contracts, the U.S. Dollar Index contract is settled by the delivery of its six component currencies (see next question).

**Contract specifications** for the U.S. Dollar Index futures contracts are available on the ICE website.

**How is the U.S. Dollar Index contract settled at its expiration?**

Unlike many index futures contracts, the U.S. Dollar Index futures contract is a physically delivered contract. The contract settles by physical delivery of the Index’s six component currencies in the percentages indicated in the composition of the Index (see above, percentages and weights of component currencies). If an ICE U.S. Dollar Index contract is held through final settlement, the holder of a long position is required to deliver the basket of currencies in the Index in the weights specified and in turn receives U.S. dollars; the holder of the short position receives the basket of currencies and pays U.S. dollars.

**Are the U.S. Dollar Index contracts liquid?**

The U.S. Dollar Index futures contract derives its liquidity directly from the spot currency market, estimated to have turnover of over $2 trillion daily (BIS Triennial Survey, 2013). There is a market maker program to help assure continuous liquidity for the electronic trading of the contracts. The electronic distribution of the futures contract on the ICE trading platform also supports enhanced liquidity.

**Can I trade calendar spreads? Are there implied prices?**
ICE Futures U.S. lists all combination of the first four quarterly contracts of U.S. Dollar Index futures as calendar spreads. There are no implied prices in U.S. Dollar Index contracts.

**Are block trades allowed in the U.S. Dollar Index contracts?**
Yes, block trades are allowed in both U.S. Dollar Index futures and options. The minimum quantity requirement for a block trade for futures is 75 contracts and the minimum block quantity for options is 25 contracts. Spreads may also be executed as blocks; in the case of a futures spread transaction, the sum of the quantity of each of the legs must meet the minimum quantity requirement. For more information on block execution for DX futures and options, as well as the most recent updates on block trading, please see the [ICE Futures U.S. Block Trade FAQ](#).

**Can I do a TAS trade in ICE U.S. Dollar Index contracts?**
ICE supports Trade at Settlement (TAS) trading for U.S. Dollar Index futures contracts on the ICE electronic trading platform. TAS capability allows a trader to enter an order to buy or sell an eligible futures contract month during the course of the trading day at a price equal to the settlement price for that contract month, or at a price that is up to two minimum price fluctuations above or below the settlement price. In the case of U.S. Dollar Index futures, while the minimum price fluctuation is .005 index points, or $5, settlement prices are expressed in .001 index points. The clearing price for U.S. Dollar Index TAS trades is calculated to the smaller increment; for example, a TAS trade price of +0.005 index points and a daily settlement price of 80.251 would generate a clearing price for the trade of 80.256.

TAS orders for U.S. Dollar Index futures may be entered from the start of the pre-open period, which begins 30 minutes before the U.S.DX futures begin trading, through the end of the futures contract settlement window each day. The end of the settlement window for U.S. Dollar Index futures is normally 3:00 p.m. ET each trading day, with the exception of the last trading day, holiday hours or other special circumstances. TAS trading is supported for the front three listed contract months at all times. TAS spread trading also is supported for two spread pairs at all times: the first listed month vs. the second listed month, and the second listed month vs. the third listed month.

Additional information on TAS trading can be found in the [ICE Futures U.S. TAS FAQ](#).

**Where can I get real time prices for the ICE U.S. Dollar Index?**
The real-time prices for the underlying cash U.S. Dollar Index and for futures contracts based on the U.S. Dollar Index are available from market data vendors, from conformed independent software vendors, on direct access user systems, and on WebICE. Real time prices for ICE U.S. Dollar Index futures are also available on the ICE website; a one-time registration is required.

**Where can I find margin information for the U.S.DX futures contract? Are there margin offsets against other ICE Futures U.S. futures contracts?**
Margin levels are subject to change. The contract is cleared by ICE Clear U.S. You can check the most current margin requirements by visiting the ICE website. Margin credit is available for spread positions between the U.S. Dollar Index and some currency pair contracts traded on ICE Futures U.S. (see spreads for currencies, cross rates, and index products).

**What regulatory body has oversight responsibility for trading in the U.S. Dollar Index**
contract?
ICE Futures U.S. is a designated contract market (DCM), as defined by the U.S. Commodity Exchange Act. ICE Futures U.S. and its contracts are regulated by the U.S. Commodity Futures Trading Commission (CFTC).

What are the exchange fees for trading U.S. Dollar Index futures contracts?
The fee for screen transactions is $1.35 per contract per side, and there is no additional charge for EFPs beyond the normal Exchange and Clearing fees. Incentive programs that may reduce fees are available to members of other derivative exchanges.

Where can I get further information?
Your usual ICE account manager can provide additional information and assistance in accessing electronic trading in the ICE U.S. Dollar Index futures contract on the ICE platform. You may also contact ICE by e-mail at FX@theice.com if you have further questions.

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