

Three Month SONIA Index Futures

Contract Specifications

Description	Three Month SONIA Index Futures Contract *is a cash settled future based on the interest rate on a three month sterling deposit.
Contract Symbol	SO3
Unit of Trading	£2,500 * Rate Index
Minimum Price Fluctuation	Front delivery month from the first business day in the calendar month preceding the Last Trade Day: 0.0025 (£6.25) Front delivery month prior to the aforementioned period and all other delivery months: 0.005 (£12.50)
Delivery Month	March, June, September, December, such that 25 delivery months are available for trading. Contract Delivery Months are named by the start date of the accrual period.
Quotation	100.00 minus the numerical value of rate of interest
Last Trading Day	One business day prior to the third Wednesday of the next quarterly Delivery Month trading will cease at 18:00 (London Local Time)
Algorithm	Central order book applies a gradual time based pro-rata (GTBPR) matching algorithm with a time-weighting of 2 and with priority given to the first order at the best price subject to a minimum order size (collar) and limited to a maximum order size (cap).
Wholesale Trade Types	Block Trading, Basis Trading, Asset Allocation Minimum Volume Thresholds can be found here

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EDSP Publication is the next business day after the Last Trading Day

100 minus the EDSP Rate, determined as described below.

Based on SONIA (Sterling Over Night Index Average) as calculated by the Benchmark Administrator each business day, the EDSP Rate represents the effective rate of interest achieved by reinvesting at SONIA for each day of the accrual period of the contract. The following formula shall be applied:

[Click here for formula](#)

where:

S_i = SONIA rate on the i^{th} day of the accrual period

d_i = the number of days that the value S_i is applied

x = the number of SONIA fixings used in the accrual period

N = the total number of days for which the x fixings are applied, i.e. the number of calendar days in the accrual period

Where the EDSP Rate is not an exact multiple of 0.0001, it will be rounded to the nearest 0.0001 or, where the EDSP Rate is greater than or equal to 0.00005, it will be rounded up to the nearest 0.0001.

Exchange Delivery Settlement Price

Act/365 Fixed

First Accrual Date

Third Wednesday of the Delivery Month

Last Accrual Date

Business day prior to the Third Wednesday of the next quarterly Delivery Month

Wholesale Service

Basis trading, Block Trading, Asset Allocation

Clearing

ICE Clear Europe

Contract Standard

Cash settlement based on the Exchange Delivery Settlement Price.

Statement in relation to EDSP Formation

The contracts have a standardised basis point value so that, for hedging purposes, a calculation will need to be made in relation to the hedge ratio to take into account any mismatch between the standardized basis point value and the actual basis point value of the position being hedged, determined by the actual number of days in the accrual period.

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