

Intercontinental Exchange



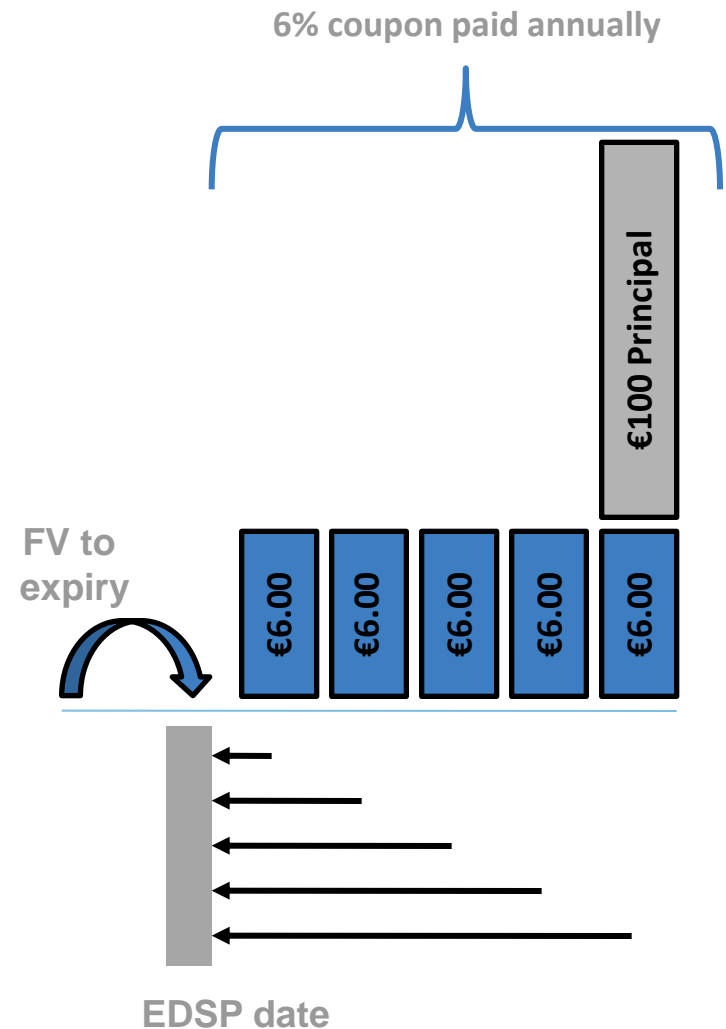
# Euro Swapnote® Futures

Q3 2014

# Introducing Euro Swapnote<sup>®</sup> Futures

- › Futures contract based on a notional bond with a fixed coupon
- › Prices like a bond future
- › Cashflows are discounted using ISDAFIX Swap rates
- › Follows the economics of Interest Rate Swaps and Euro swap market conventions
- › Cash settled
- › Swapnote<sup>®</sup> offers a credible alternative to OTC IRS trading
- › Available for 2, 5 and 10 year tenor points

**Euro Swapnote<sup>®</sup> prices like a bond future, but has the economics of a 2, 5 or 10 year Interest Rate Swap**



# Growth of Euro Swapnote® Futures

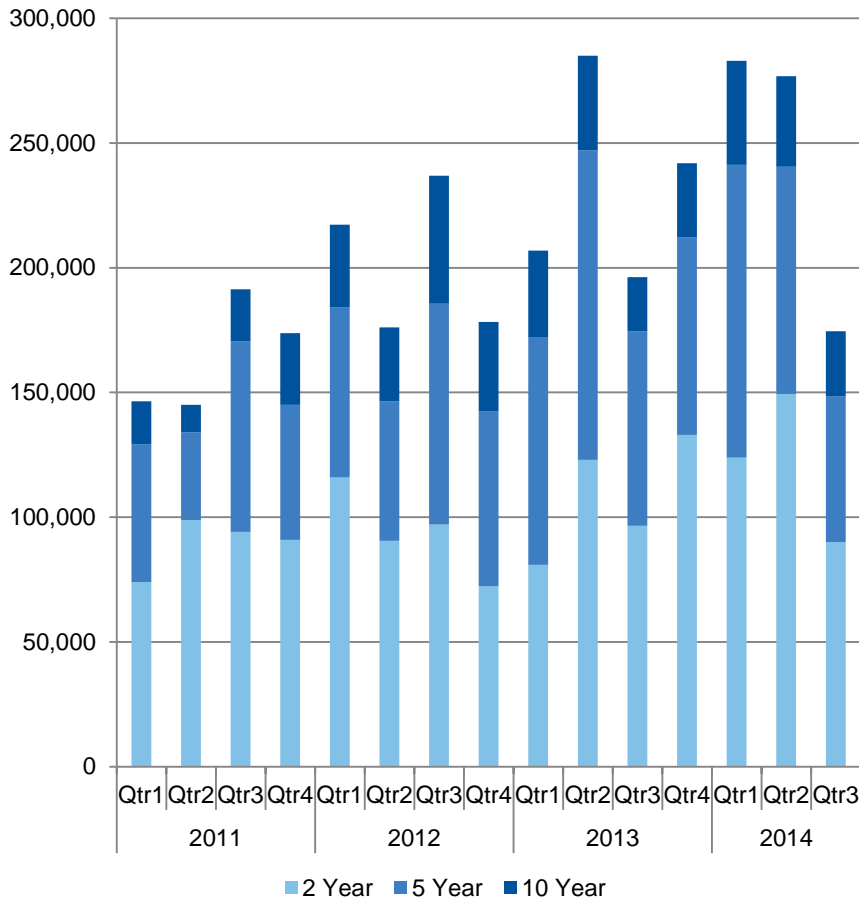
**725+** Thousand lots traded YTD Q3 '14

**6%** Increase in '14 volumes vs '13

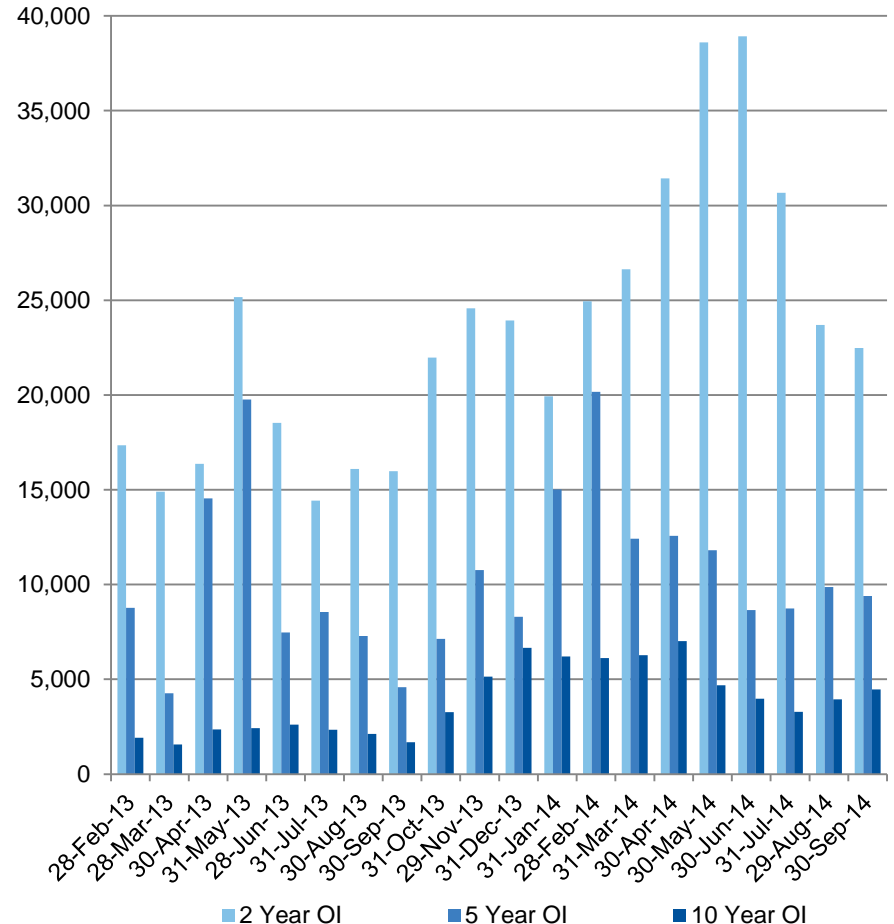
**20%** Increase in 2yr volumes vs '13

**63%** Increase in OI Q3 '14 vs Q3'13

Euro Swapnote® Volume by Quarter



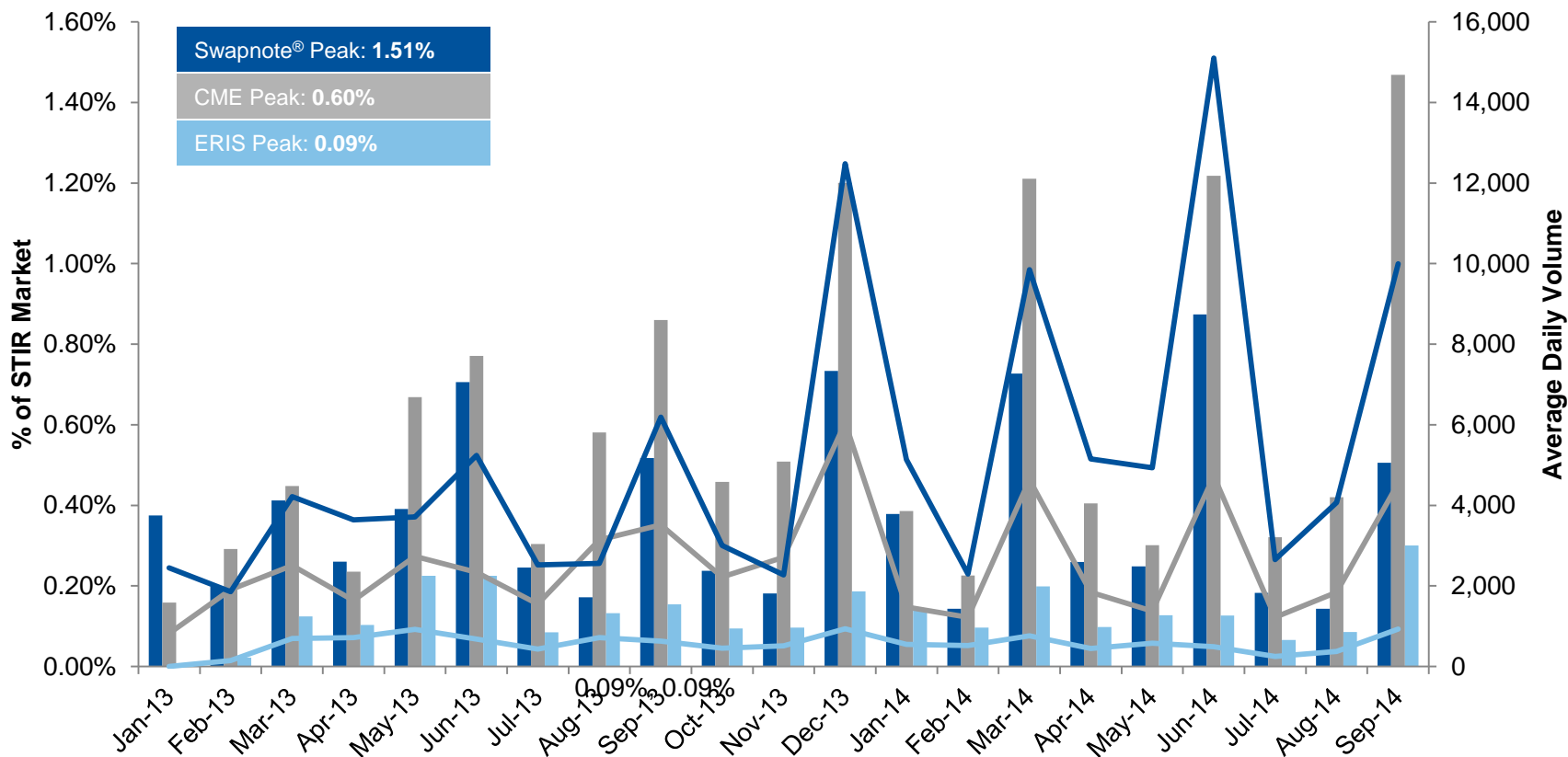
Euro Swapnote® Month-End OI



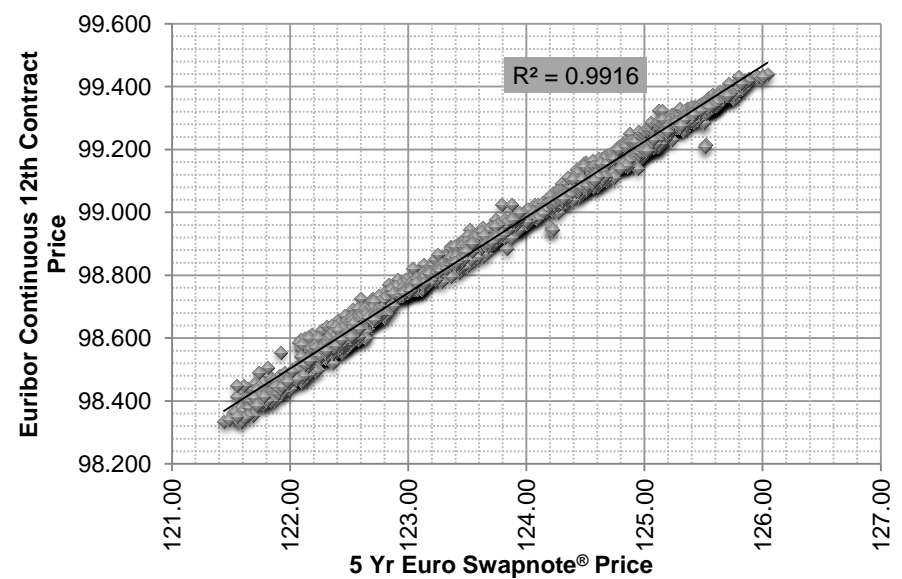
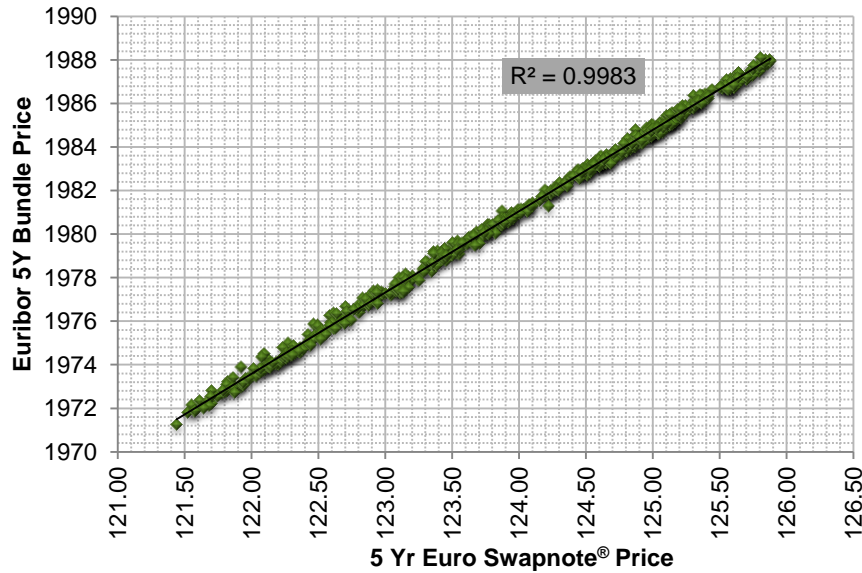
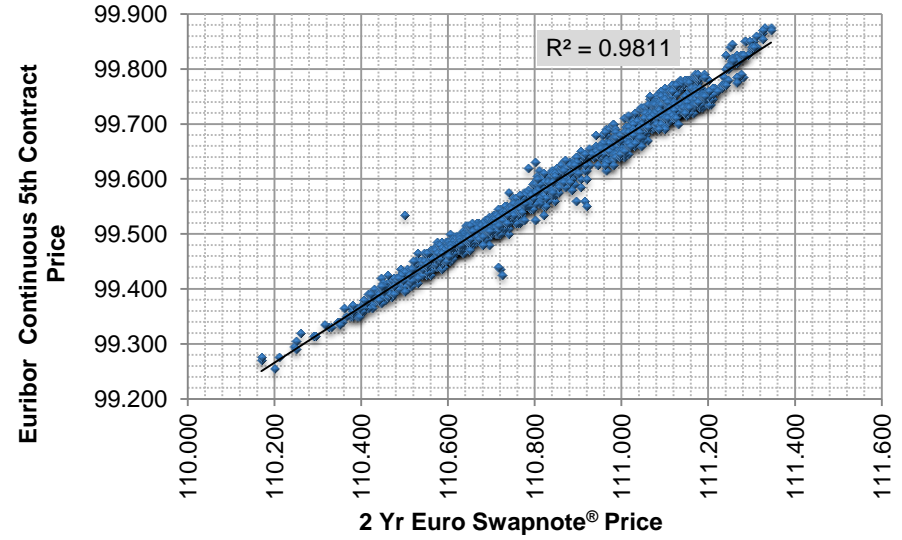
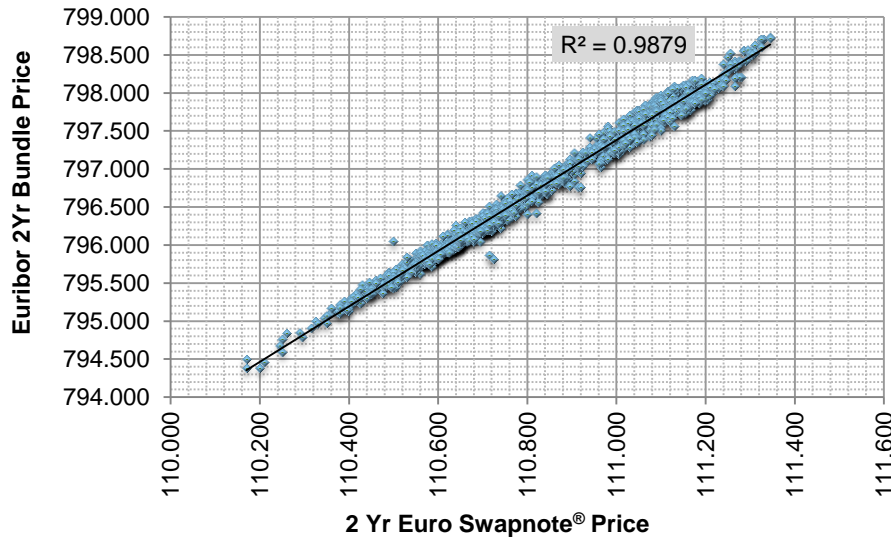
# Peer Comparison

- › Euro Swapnote® has maintained strong volumes despite subdued activity in the underlying STIRs market

Swap Futures Monthly ADV and % of STIR Market

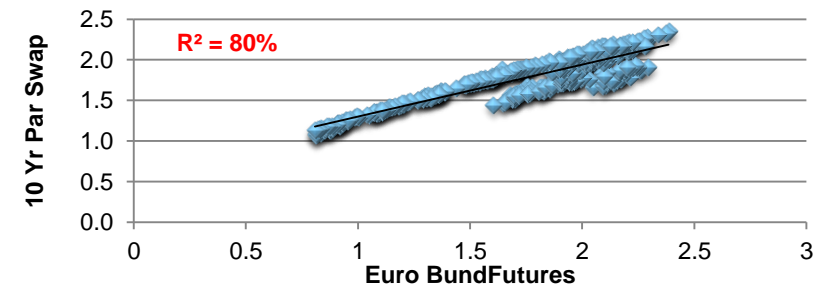
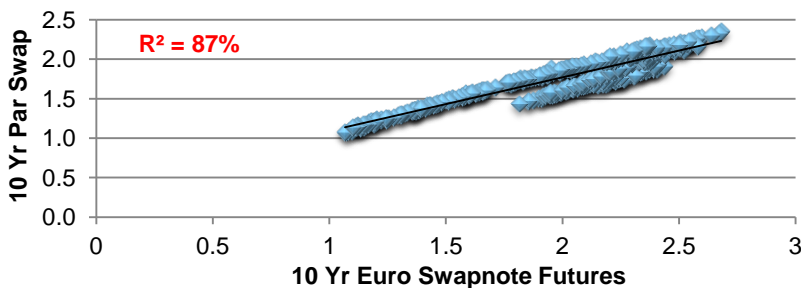
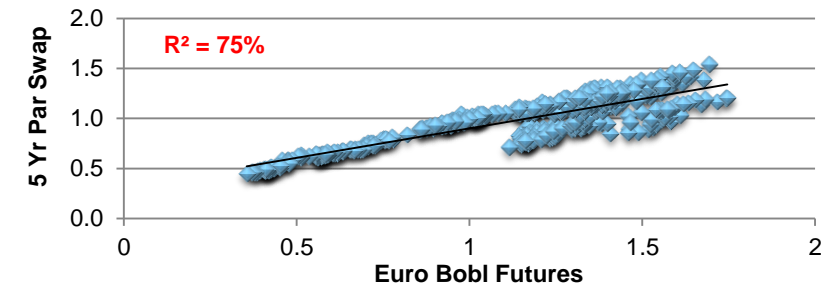
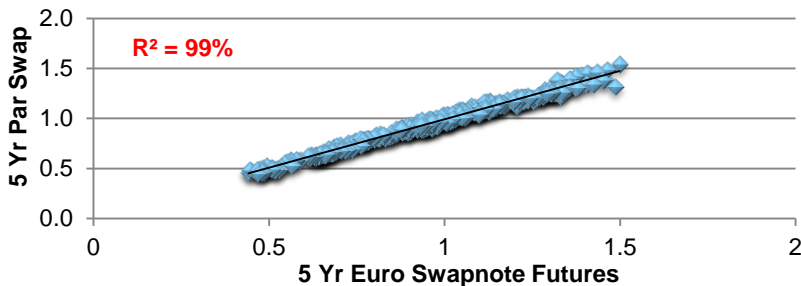
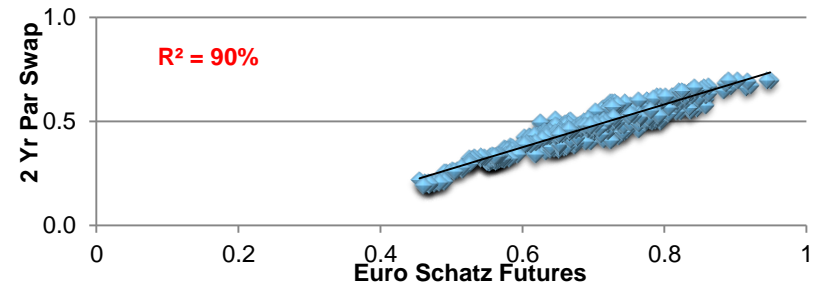
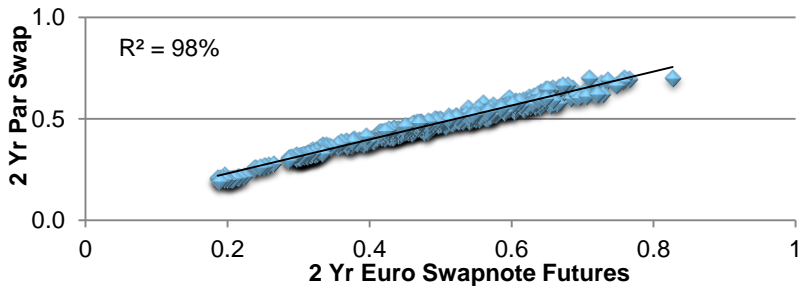


# 2 & 5 Year Euro Swapnote<sup>®</sup> vs STIRs



# Trading Opportunities for Euro Swapnote<sup>®</sup>

- › Swapnote<sup>®</sup> has stronger correlation with par swaps than bond futures – exposure to Euro swap curve without the credit risk



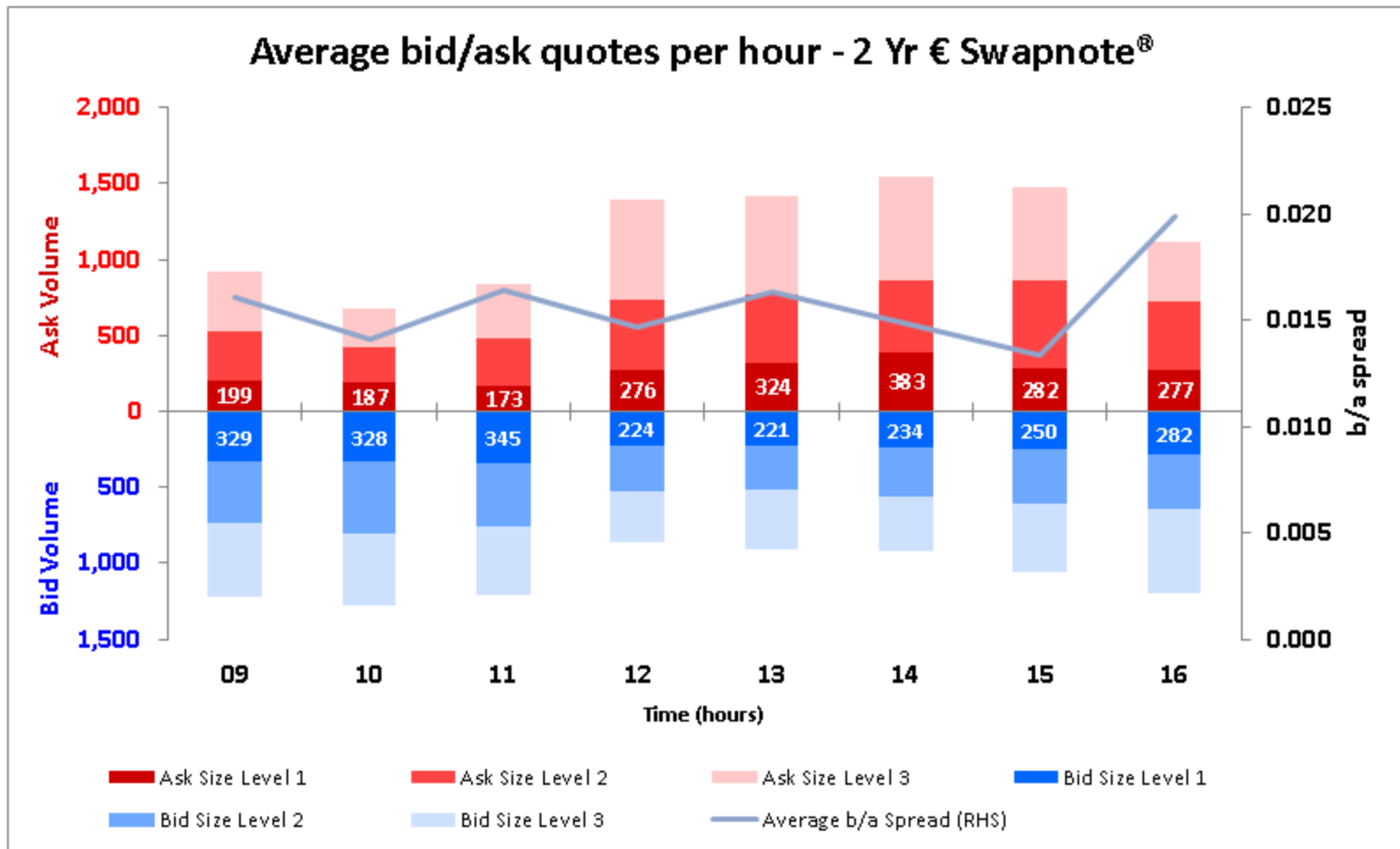
# Market Depth – Block Trades

- › Swapnote® market has depth both on screen and off screen
- › Good size and multiple layers in the COB
- › Off-screen block market is capable of facilitating very large trades
  - 5,074 lot trade executed by Broker A ⇔ EUR 507.4mn

The screenshot shows the NYSE\_Liffe TWS Jun14 market depth interface. The main table displays market depth with columns for price and quantity. A red box highlights a trade at 16:28:45 with a price of 111.195 and a quantity of 5074. The right-hand table shows a list of trades with columns for Time, Price, and Qty.

Time	Price	Qty
16:58:50	111.200	30
16:28:44	111.195	20
16:28:45	111.195	5074
16:12:14	111.190	1
15:53:33	111.185	70
15:27:50	111.180	75
14:01:03	111.180	19
13:09:37	111.195	10
12:32:31	111.185	78
12:31:40	111.180	1
11:39:52	111.185	2
11:28:59	111.175	1
11:23:07	111.180	1
11:00:47	111.195	20
11:00:47	111.195	25
11:00:47	111.195	25
11:00:46	111.195	50
11:00:42	111.195	330
10:22:42	111.185	1
10:20:36	111.200	50
10:02:31	111.190	3
10:02:22	111.190	2
09:45:53	111.175	1
16:47:43	111.145	1
16:24:23	111.160	1
16:11:54	111.150	4
14:40:03	111.155	13
14:00:10	111.140	46
11:19:20	111.130	1
11:18:44	111.145	1
11:18:34	111.140	1
11:18:25	111.150	95
11:18:24	111.150	5
10:31:57	111.105	1
10:28:38	111.120	60
10:23:03	111.110	51
10:01:46	111.105	1
08:58:57	111.105	1
08:16:40	111.100	1
08:15:53	111.105	50

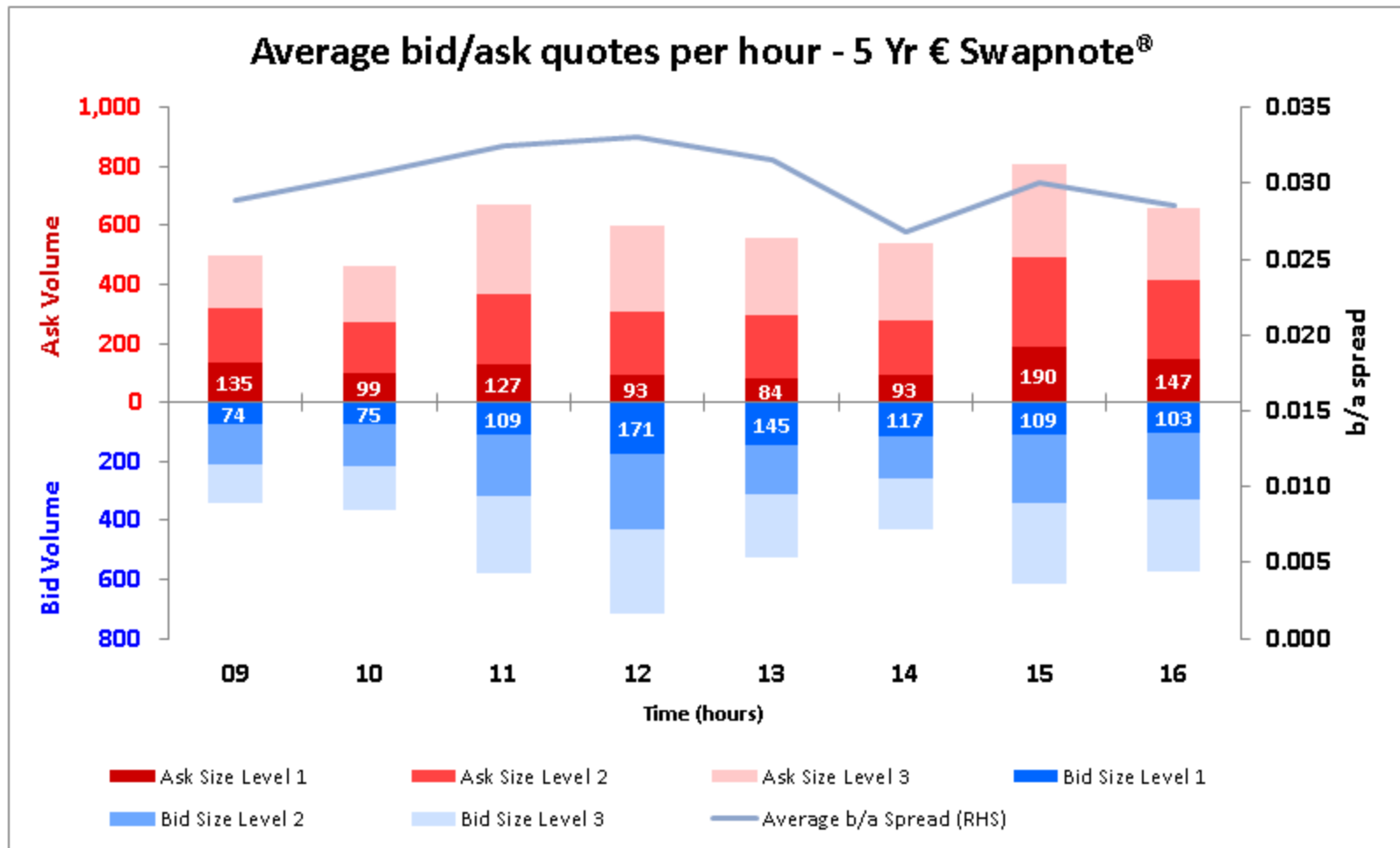
# On-Screen Depth 9am - 5pm: 2 Yr € Swapnote<sup>®</sup>



Bid/ask data from five days' trading in April 2014

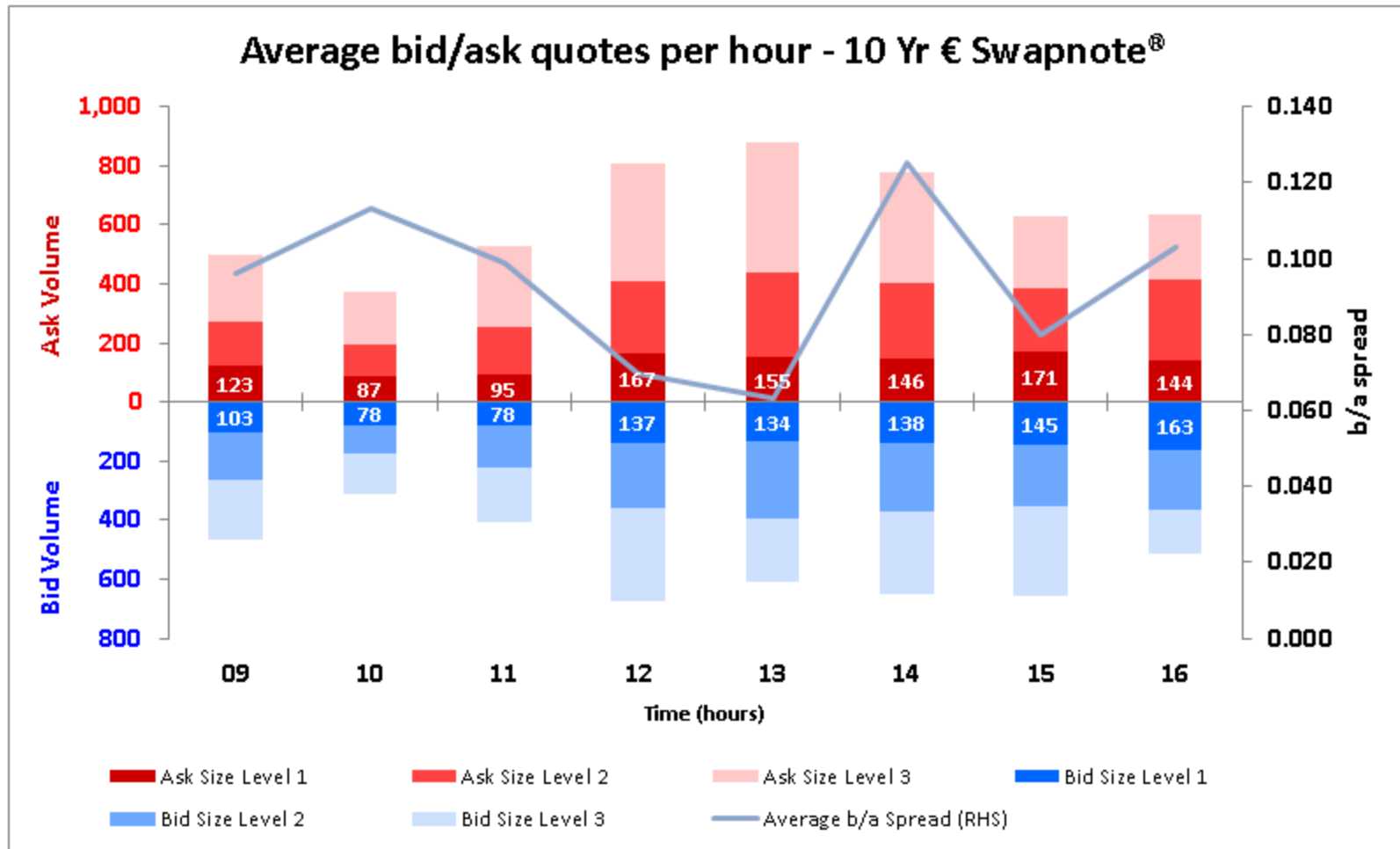


# On-Screen Depth 9am - 5pm: 5 Yr € Swapnote®



Bid/ask data from five days' trading in April 2014

# On-Screen Depth 9am - 5pm: 10 Yr € Swapnote<sup>®</sup>



Bid/ask data from five days' trading in April 2014

## Further Information

- Quote Vendor Codes:

Quote Vendor	2 Yr Euro Swapnote®	5 Yr Euro Swapnote®	10 Yr Euro Swapnote®
IFEU / TT	TWS	O	P
Bloomberg	RWA<CMDTY>	T A<CMDTY>	P A<CMDTY>
CQG	TWS	QBA	QLA
Reuters	0#FBS:	0#FBO:	0#FBP:

- For further information in relation to the contracts please visit <https://www.theice.com/products/Futures-Options/Interest-Rates/Swapnotes> or contact:

Interest Rate Derivatives      +44 (0) 20 7429 4640      [rates@theice.com](mailto:rates@theice.com)

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