

ICE Central Bank Dated futures (ICE CBF)

A precise way to manage monetary policy event risk

Central Bank Dated futures are cash settled exchange traded futures that allow market participants to hedge or speculate on interest rate changes around specific central bank meeting dates. Unlike standard Short Term Interest Rate (STIR) futures that settle quarterly, these contracts align with central bank meeting dates making them useful for trading rate hike/cut expectations.

Volumes traded over the counter (“OTC”) in central bank dates represent a significant proportion of the overall Overnight Index Swap (“OIS”) market. With ICE CBF contracts, you can now replicate these OTC products with exchange traded futures and get direct exposure to the outcomes of the central banks rate decisions.

ICE offers CBF on ESTR and SONIA. The contracts are traded on ICE Futures Europe and cleared on ICE Clear Europe, alongside our existing Three-Month ESTR, EURIBOR® and SONIA futures & options, as well as SARON futures.

ICE ECB Dated ESTR future

The ICE ECB Dated ESTR contract is a cash settled future based on the interest rate accrued over an ECB Reserve Maintenance Period.

ICE MPC Dated SONIA future

The ICE MPC Dated SONIA contract is a cash settled future based on the interest rate accrued over the period between Bank of England MPC rate decision meetings.

Benefits

Increase capital efficiency with margin offsets against the most liquid EUR, GBP and CHF STIR futures and options positions

2-day margin period of risk (MPOR) versus the 5-7 day norm in OTC markets

Liquidity and breadth of products. Order book liquidity. Trade CBF contracts alongside ICE liquid STIRs complex

Centrally cleared contracts. Replicate OTC central bank dated swaps via an exchange listed future



ICE: the home of European and U.K. interest rate derivatives

ICE is the largest marketplace for U.K. and European interest rates futures and options which includes Euribor, ESTR, SONIA and Gilts, as well as SARON futures. Our global rate contracts span geographies, currencies and tenors, providing participants around the world with effective tools to manage risk in a capital efficient manner.

Contract specifications

ECB Dated ESTR futures	
Contract symbol	ECB
Contract standard	Cash settlement based on the Exchange Delivery Settlement Price
Unit of trading	€2500 x Rate index
Rate index	100 minus the EDSP Rate
Minimum price movement	0.0025 (€6.25)
Delivery months	Consecutive delivery months, each covering an ECB Reserve Maintenance Period. A maximum of twelve delivery months may be available for trading.
First accrual day	First day of the ECB Reserve Maintenance Period*
Last accrual day	Last day of the ECB Reserve Maintenance Period*
Last trading day	Last day of the ECB Reserve Maintenance Period*
Exchange Delivery Settlement Price ("EDSP")	EDSP Rate shall be the compounded average of the daily ESTR rate for the Accrual Period (ECB Reserve Maintenance Period) of the contract
Matching algorithm	Gradual Time-Based Pro Rata ("GTBPR")
Wholesale service	Basis trading, block trading, asset allocation
Trading hours	01:00 – 21:00 London time
Clearing venue	ICEU (ICE Clear Europe)
Other information	*In the event that the European Central Bank changes a previously confirmed rate meeting date, the futures first and last accrual dates will not change for any contracts with open interest.

MPC Dated SONIA futures	
Contract symbol	MPC
Contract standard	Cash settlement based on the Exchange Delivery Settlement Price
Unit of trading	£2500 x Rate index
Rate index	100 minus the EDSP Rate
Minimum price movement	0.0025 (£6.25)
Delivery months	Consecutive delivery months, each covering an MPC Period. A maximum of twelve delivery months may be available for trading.
First accrual day	BOE MPC meeting date*
Last accrual day	One business day prior to the next BOE MPC meeting date*
Last trading day	One business day prior to the next BOE MPC meeting date*
Exchange Delivery Settlement Price ("EDSP")	EDSP Rate shall be the compounded average of the daily SONIA rate for the Accrual Period (the period between Bank of England MPC rate decision meetings) of the contract
Matching algorithm	Gradual Time-Based Pro Rata ("GTBPR")
Wholesale service	Basis trading, block trading, asset allocation
Trading hours	07:30 – 18:00 London time
Clearing venue	ICEU (ICE Clear Europe)
Other information	*In the event that the Bank of England changes a previously confirmed rate meeting date, the futures first and last accrual dates will not change for any contracts with open interest.

FAQs

What happens if the European Central Bank (“ECB”) or the Bank of England (“BOE”) change a previously published meeting date?

If the ECB or the BOE change a previously confirmed rate meeting date and maintenance period, the futures first and last accrual dates will not change for any contracts with open interest.

What is the notional size of the ECB Dated ESTR Futures?

The concept of “notional size” was superseded in 2019 by “unit of trading” where each unit is equal to €2500 x Rate index.

If, for example, the future is trading 98.00 then the unit value would be €245,000. You might consider that with approximately eight meetings per year then the annualized value would be €245,000 x 8 = €1,960,000.

What is the notional size of the MPC Dated SONIA Futures?

The concept of “notional size” was superseded in 2019 by “unit of trading” where each unit is equal to £2500 x Rate index.

If, for example, the future is trading 98.00 then the unit value would be £245,000. You might consider that with approximately eight meetings per year then the annualised value would be £245,000 x 8 = £1,960,000.

What are the capital efficiencies of trading CBF contracts over OTC swaps?

An offsetting position of ECB ESTR futures versus Euribor futures would generate a net margin saving of up to 75%. Additionally, listed contracts benefit from a two-day margin period of risk (MPOR) versus the lengthier conventions in the OTC market.

An offsetting position of MPC SONIA futures versus SONIA futures would generate a net margin saving of up to 90%.

Additionally, listed contracts benefit from a two-day margin period of risk (MPOR) versus the lengthier conventions in the OTC market.

What are the exchange and vendor codes for the contracts?

Product	ICE code	Bloomberg ticker
ECB Dated ESTR futures	ECB	XCB
MPC Dated SONIA futures	MPC	BOE



For more information: icefutureseurope-fixedincome@theice.com | ice.com/interest-rates