

Tokyo Swap Rate

The industry challenge

Swap rate benchmarks measure the fixed leg of a swap and are used in the valuation of derivatives such as swaptions and CMS, as well as in structured loans and notes, floating-rate notes and private finance initiatives. Japanese yen (JPY) (LIBOR) was used widely as a reference rate in interest rate swaps.

Following the Financial Conduct Authority's (FCA's) 5 March 2021 announcement all JPY LIBOR settings have ceased. Market conventions have changed in response to the LIBOR transition and overnight risk-free rates such as the Tokyo Overnight Average rate (TONA) have become widely used.

Our offering

Tokyo Swap Rate (TSR) is a JPY interest rate swap (IRS) benchmark family composed of Tokyo Swap Rate (for swaps referencing TONA) and Tokyo Swap Rate Fallback.

The Tokyo Swap Rate (for swaps referencing TONA) settings are based upon dealer-to-client quotes in spot starting TONA OIS from the Tradeweb® platform. The data is collected during a 20-minute window centred on 10:00 in the morning (Tokyo time) and 14:40-15:00 (Tokyo time) in the afternoon. Every 30 seconds during the collection window, individual dealer quotes are sampled, and subject to sufficient volume and a sufficiently tight bid-offer spread, the mid rate of each dealer is calculated. The final rate is the median of the mid rates. In the event of low liquidity, FTSE Russell use spot starting TONA OIS rates from (i) two inter-dealer brokers (TP ICAP and Tradition), (ii) Tradeweb (composite indicative rates) and (iii) any unused executable dealer-to-client quotes from Tradeweb collected during the same windows.

The use of prepublication input data quality checks and adopting the median value protects against the risk of errors and manipulation. The final rates are published in tenors from one to 40 years at 10:30 (Tokyo time) and 15:30 (Tokyo time) respectively.

Tokyo Swap Rate Fallback is also available in tenors from one to 40 years. For market participants who elect to use it, Tokyo Swap Rate Fallback is designed to support the continuation of contracts referencing Tokyo Swap Rate (for swaps referencing six-month JPY interbank offered rates from London banks) which mature after the end of December 2021.

It is derived from the Tokyo Swap Rate (for swaps referencing TONA) together with a constant spread adjustment in line with feedback from the industry consultation, which is consistent with the methodology proposed by national working groups.

Tokyo Swap Rate (for swaps referencing TONA) and Tokyo Swap Rate Fallback are production benchmarks administered by FTSE International Limited in compliance with the UK Benchmark Regulation and can be used in financial contracts.



How to access the rates

The Tokyo Swap Rates can be accessed through the full suite of LSEG products, including LSEG Eikon, LSEG Real-Time and LSEG Datascope.

	TOKYO SWAP RATE (FOR SWAPS REFERENCING TONA) AM	TOKYO SWAP RATE (FOR SWAPS REFERENCING TONA) PM	TOKYO SWAP RATE FALLBACK AM	TOKYO SWAP RATE FALLBACK PM
All tenors AM and PM	JPTSRT0=RFTB		JPTSRLF=RFTB	
All tenors	JPTSRT0A=RFTB	JPTSRT0P=RFTB	JPTSRLFA=RFTB	JPTSRLFP=RFTB
One year	JPTSRT0A1Y=RFTB	JPTSRT0P1Y=RFTB	JPTSRLFA1Y=RFTB	JPTSRLFP1Y=RFTB
18 months	JPTSRT0A18M=RFTB	JPTSRT0P18M=RFTB	JPTSRLFA18M=RFTB	JPTSRLFP18M=RFTB
Two years	JPTSRT0A2Y=RFTB	JPTSRT0P2Y=RFTB	JPTSRLFA2Y=RFTB	JPTSRLFP2Y=RFTB
Three years	JPTSRT0A3Y=RFTB	JPTSRT0P3Y=RFTB	JPTSRLFA3Y=RFTB	JPTSRLFP3Y=RFTB
Four years	JPTSRT0A4Y=RFTB	JPTSRT0P4Y=RFTB	JPTSRLFA4Y=RFTB	JPTSRLFP4Y=RFTB
Five years	JPTSRT0A5Y=RFTB	JPTSRT0P5Y=RFTB	JPTSRLFA5Y=RFTB	JPTSRLFP5Y=RFTB
Six years	JPTSRT0A6Y=RFTB	JPTSRT0P6Y=RFTB	JPTSRLFA6Y=RFTB	JPTSRLFP6Y=RFTB
Seven years	JPTSRT0A7Y=RFTB	JPTSRT0P7Y=RFTB	JPTSRLFA7Y=RFTB	JPTSRLFP7Y=RFTB
Eight years	JPTSRT0A8Y=RFTB	JPTSRT0P8Y=RFTB	JPTSRLFA8Y=RFTB	JPTSRLFP8Y=RFTB
Nine years	JPTSRT0A9Y=RFTB	JPTSRT0P9Y=RFTB	JPTSRLFA9Y=RFTB	JPTSRLFP9Y=RFTB
10 years	JPTSRT0A10Y=RFTB	JPTSRT0P10Y=RFTB	JPTSRLFA10Y=RFTB	JPTSRLFP10Y=RFTB
12 years	JPTSRT0A12Y=RFTB	JPTSRT0P12Y=RFTB	JPTSRLFA12Y=RFTB	JPTSRLFP12Y=RFTB
15 years	JPTSRT0A15Y=RFTB	JPTSRT0P15Y=RFTB	JPTSRLFA15Y=RFTB	JPTSRLFP15Y=RFTB
20 years	JPTSRT0A20Y=RFTB	JPTSRT0P20Y=RFTB	JPTSRLFA20Y=RFTB	JPTSRLFP20Y=RFTB
25 years	JPTSRT0A25Y=RFTB	JPTSRT0P25Y=RFTB	JPTSRLFA25Y=RFTB	JPTSRLFP25Y=RFTB
30 years	JPTSRT0A30Y=RFTB	JPTSRT0P30Y=RFTB	JPTSRLFA30Y=RFTB	JPTSRLFP30Y=RFTB
40 years	JPTSRT0A40Y=RFTB	JPTSRT0P40Y=RFTB	JPTSRLFA40Y=RFTB	JPTSRLFP40Y=RFTB

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