

Contract Specifications for Interest Rate Derivatives trading on CurveGlobal Markets

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The Contract Specifications for Interest Rate derivatives trading on CurveGlobal Markets are set out in this document. This document forms part of the rule book and shall have effect as if set out in full in the body of the rule book.

1.0 STIRS

1.1 Three month Euribor[®] Futures

Parameter	Description			
Contract Underlying	Based on Three Month European Interbank Offered Rate (Euribor [®]) ¹ . Three-month unsecured euro term deposits on EUR 1,000,000			
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 07.00	07:00 - 21:00	07:00 - 20:30	07:00 - 21:00
Currency	EUR, Euro, €			
Quotation display	100 minus rate of interest			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		EUR 12.50	
Settlement style	Cash Settlement			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	Twenty four quarterly delivery months of the March, June, September and December cycle, as well as four serial months, such that 28 delivery months are available for trading, with the nearest six delivery months being consecutive calendar months.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP shall be established by CurveGlobal Markets based on the European Money Markets Institute (EMMI Euribor [®]) for 3 month Euro deposits at 11:00 Brussels time (10:00 London time) on the Expiration Day. The EDSP will be 100 minus the EMMI Euribor [®] rate rounded to 3 decimal places. Where the EDSP is not an exact multiple of 0.001, it will be rounded to the nearest 0.001 or, where the EDSP is an exact uneven multiple of 0.0005, to the nearest lower 0.001 (e.g. an EMMI Euribor [®] rate of 1.9225 becomes 1.922).			
Last Trading Day	Second Trading Day before 3rd Wednesday of the contract month. Trading in expiring contracts terminates at 10:00 London time on the Last Trading Day.			

* BNT – Please refer to the [CurveGlobal Markets Bilaterally Negotiated Trade Guidance](#) for further details.

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1.2 Three month Sterling Futures

Parameter	Description			
Contract Underlying	Based on ICE Benchmark Administration Limited London Interbank Offered Rate (ICE LIBOR) ² rate for three month deposit of GBP 500,000			
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 07.30	07:30 - 18:00	07:30 - 18:00	07:30 - 18:00
Currency	GBP, British Pound, £			
Quotation display	100 minus rate of interest			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		GBP 6.25	
Settlement style	Cash Settlement			
Listing Day	First Trading Day following Last Trading Day			
Contract Lifetimes and Expiration Months	Twenty four quarterly delivery months of the March, June, September and December cycle, as well as two serial months, such that 26 delivery months are available for trading, with the nearest three delivery months being consecutive calendar months.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP shall be established by CurveGlobal Markets based on the ICE Benchmark Administration London Interbank Offered Rate (ICE LIBOR) for 3 month Sterling deposits at 11:00 London time on the Expiration Day. The EDSP will be 100 minus the ICE LIBOR rate rounded to 3 decimal places. Where the EDSP is not an exact multiple of 0.001, it will be rounded to the nearest 0.001 or, where the EDSP is an exact uneven multiple of 0.0005, to the nearest lower 0.001. (e.g. an ICE LIBOR rate of 1.7165 becomes 1.716).			
Last Trading Day	Trading will cease at 11:00 London time on the standard IMM dates (3 rd Wednesday of the month).			

² ICE LIBOR is a trade mark of ICE Benchmark Administration.

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1.3 CurveGlobal® Three month SONIA Futures

Parameter	Description			
Contract Underlying	Based on the compounded Sterling Over Night Index Average (SONIA) ³ rate calculated over the relevant accrual period on a notional amount of GBP 500,000.			
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06:30 – 07:30	07:30 – 18:00	07:30 – 18:00	07:30 – 18:00
Currency	GBP, Pounds Sterling, £			
Quotation display	100 minus rate of interest			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		GBP 6.25	
Settlement style	Cash Settlement			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	Twenty-five quarterly delivery months of the March, June, September and December cycle, as well as four serial months, where the front quarterly expiry and the front two serial month expiries will be the contracts in accrual and all 29 delivery months are available for trading.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for a specific day, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Accrual Period	The contract month's IMM date to the day before the next IMM date. (e.g. Dec Contract accrual will start from Dec IMM to Mar IMM – 1 day).			
Exchange Delivery Settlement Price (EDSP)	CurveGlobal Markets shall establish the EDSP by 11:00 London time on the publication day of the last SONIA fixing for the relevant accrual period. The EDSP is based on the compounded SONIA rate over the accrual period and will be 100 minus this rate. The compounding will be calculated to 8 decimals places during the accrual period and then rounded to 4 decimal places for the EDSP. The compounding represents the effective rate of interest achieved by reinvesting at SONIA for each day of the accrual period of the contract.			
Last Trading Day	Trading will cease at 08:30 London time on the standard IMM dates (3 rd Wednesday of the month).			

³ The "SONIA" mark is used under licence from the Bank of England (the benchmark administrator of SONIA), and the use of such mark does not imply or express any approval or endorsement by the Bank of England. "Bank of England" and "SONIA" are registered trademarks of the Bank of England.

1.5 CurveGlobal® One month SONIA Futures

Parameter	Description			
Contract Underlying	Based on the compounded Sterling Over Night Index Average (SONIA) ⁴ rate calculated over the relevant accrual period on a notional amount of GBP 1,500,000.			
Type of Contract	Cash settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06:30 – 07:30	07:30 – 18:00	07:30 – 18:00	07:30 – 18:00
Currency	GBP, Pounds Sterling, £			
Quotation display	100 minus rate of interest			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		GBP 6.25	
Settlement style	Cash Settlement			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	13 consecutive delivery months will be available for trading where the front month will be the contract in accrual.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for a specific day, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Accrual Period	The 3 rd Wednesday of the contract month to the day before the 3 rd Wednesday of the next month (e.g. Oct-19 Contract accrual will start from 16 th Oct 2019 to 19 th Nov 2019)			
Exchange Delivery Settlement Price (EDSP)	CurveGlobal Markets shall establish the EDSP by 11:00 London time on the publication day of the last SONIA fixing for the relevant accrual period. The EDSP is based on the compounded SONIA rate over the accrual period and will be 100 minus this rate. The compounding will be calculated to 8 decimals places during the accrual period and then rounded to 4 decimal places for the EDSP. The compounding represents the effective rate of interest achieved by reinvesting at SONIA for each day of the accrual period of the contract.			
Last Trading Day	Trading will cease at 08:30 London time on the standard IMM dates (3 rd Wednesday of the month).			

⁴ The "SONIA" mark is used under licence from the Bank of England (the benchmark administrator of SONIA), and the use of such mark does not imply or express any approval or endorsement by the Bank of England. "Bank of England" and "SONIA" are registered trademarks of the Bank of England.

2.0 Medium term / Long term rates

2.1 Schatz Futures

Parameter	Description			
Contract Underlying	EUR 100,000 nominal value notional Schatz with 6% coupon ⁵			
Type of Contract	Physically settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 07.00	07:00 - 21:00	07:00 - 20:30	07:00 - 21:00
Currency	EUR, Euro, €			
Quotation display	Percentage of par value			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.0025		EUR 2.50	
Settlement style	Physical Settlement. Delivery of a bond selected from the basket of approved deliverable bonds of the Federal Republic of Germany as published by CurveGlobal Markets.			
Deliverable Bond Standards	<p>Deliverable Bonds will have the following characteristics: be Debt Securities issued by the Federal Republic of Germany; have an original term of no longer than 11 years; have a remaining period to redemption at delivery within the maturity range 1¼ - 2¼ years; have any coupon range; bear interest at a single fixed rate; have no terms permitting or requiring early redemption; have both principal and interest denominated in Euros; not be callable; and have an aggregate principle amount outstanding of not less than €5 billion.</p> <p>Deliverable bonds should satisfy the above standards and be identified as deliverable by CurveGlobal Markets not less than ten Trading Days prior to the Delivery Date.</p>			
Listing Day	First Trading Day following Last Trading Day			
Contract Lifetimes and Expiration Months	The three nearest quarterly months of the March, June, September and December cycle.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP is established on the Last Trading Day at 11:30 London time based on the volume weighted average price of all trades during the final five minutes of trading provided that more than five trades occurred during this time, otherwise the volume weighted average price of the last five trades of the day, provided that these are not older than 60 minutes. If there is insufficient trading data available, the EDSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the EDSP in accordance with the rules of CurveGlobal Markets.			
Delivery Day	The tenth calendar day of the respective quarterly month, if this day is a Trading Day; otherwise, the Trading Day immediately succeeding that day.			
Last Trading Day	Two Trading Days prior to the Delivery Day of the relevant delivery month. Trading will cease at 11:30 London time.			

⁵ List of Deliverable Bonds can be found on CurveGlobal Markets website

2.2 Bobl Futures

Parameter	Description			
Contract Underlying	EUR 100,000 nominal value notional Bobl with 6% coupon ⁶			
Type of Contract	Physically settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 07.00	07:00 - 21:00	07:00 - 20:30	07:00 - 21:00
Currency	EUR, Euro, €			
Quotation display	Percentage of par value			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		EUR 5	
Settlement style	Physical Settlement. Delivery of a bond selected from the basket of approved deliverable bonds of the Federal Republic of Germany as published by CurveGlobal Markets.			
Deliverable Bond Standards	<p>Deliverable Bonds will have the following characteristics: be Debt Securities issued by the Federal Republic of Germany; have an original term of no longer than 11 years; have a remaining period to redemption at delivery within the maturity range 4½ - 5½ years; have any coupon range; bear interest at a single fixed rate; have no terms permitting or requiring early redemption; have both principal and interest denominated in Euros; not be callable; and have an aggregate principle amount outstanding of not less than €5 billion.</p> <p>Deliverable bonds should satisfy the above standards and be identified as deliverable by CurveGlobal Markets not less than ten Trading Days prior to the Delivery Date.</p>			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	The three nearest quarterly months of the March, June, September and December cycle.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP is established on the Last Trading Day at 11:30 London time based on the volume weighted average price of all trades during the final five minutes of trading provided that more than five trades occurred during this time, otherwise the volume weighted average price of the last five trades of the day, provided that these are not older than 60 minutes. If there is insufficient trading data available, the EDSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the EDSP in accordance with the rules of CurveGlobal Markets.			
Delivery Day	The tenth calendar day of the respective quarterly month, if this day is a Trading Day; otherwise, the Trading Day immediately succeeding that day.			
Last Trading Day	Two Trading Days prior to the Delivery Day of the relevant delivery month. Trading will cease at 11:30 London time.			

⁶ List of Deliverable Bonds can be found on CurveGlobal Markets website

2.3 Bund Futures

Parameter	Description			
Contract Underlying	EUR 100,000 nominal value notional Bund with 6% coupon ⁷			
Type of Contract	Physically settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 07.00	07:00 - 21:00	07:00 - 20:30	07:00 - 21:00
Currency	EUR, Euro, €			
Quotation display	Percentage of par value			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		EUR 5	
Settlement style	Physical Settlement. Delivery of a bond selected from the basket of approved deliverable bonds of the Federal Republic of Germany as published by CurveGlobal Markets.			
Deliverable Bond Standards	<p>Deliverable Bonds will have the following characteristics: be Debt Securities issued by the Federal Republic of Germany; have an original term of no longer than 11 years; have a remaining period to redemption at delivery within the maturity range 8½ - 10½ years; have any coupon range; bear interest at a single fixed rate; have no terms permitting or requiring early redemption; have both principal and interest denominated in Euros; not be callable; and have an aggregate principle amount outstanding of not less than €5 billion.</p> <p>Deliverable bonds should satisfy the above standards and be identified as deliverable by CurveGlobal Markets not less than ten Trading Days prior to the Delivery Date.</p>			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	The three nearest quarterly months of the March, June, September and December cycle			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP is established on the Last Trading Day at 11:30 London time based on the volume weighted average price of all trades during the final five minutes of trading provided that more than five trades occurred during this time, otherwise the volume weighted average price of the last five trades of the day, provided that these are not older than 60 minutes. If there is insufficient trading data available, the EDSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the EDSP in accordance with the rules of CurveGlobal Markets.			
Delivery Day	The tenth calendar day of the respective quarterly month, if this day is a Trading Day; otherwise, the Trading Day immediately succeeding that day.			
Last Trading Day	Two Trading Days prior to the Delivery Day of the relevant delivery month. Trading will cease at 11:30 London time.			

⁷ List of Deliverable Bonds can be found on CurveGlobal Markets website

2.4 Long Gilt Futures

Parameter	Description			
Contract Underlying	GBP 100,000 nominal value notional Gilt with 4% coupon ⁸			
Type of Contract	Physically settled Futures Contracts with Daily Cash Settlement			
Central Counterparty	LCH			
Trading Hours (London time)	Opening auction	Continuous trading	Manual Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)	Electronic Trade Reporting (Block Trades / Basis Trades / Exchange of Future for Swap)
	06.30 - 08.00	08:00 - 18:00	08:00 - 18:00	08:00 - 18:00
Currency	GBP, British Pounds, £			
Quotation display	Percentage of par value			
Tick Size and Tick Value	Tick Size		Tick Value	
	0.005		GBP 5	
First Notice Day	Two Trading Days prior to the first calendar day of the delivery month			
Last Notice Day	First Trading Day after the Last Trading Day			
Settlement style	Physical Settlement. Delivery of a bond selected from the basket of approved deliverable Gilts as published by CurveGlobal Markets.			
Deliverable Bond Standards	<p>Deliverable Bonds will have the following characteristics: be issued by the UK Debt Management Office for HM Treasury in the United Kingdom; have a remaining period to redemption at delivery from, and excluding, the first date of the relevant delivery month within the maturity range 8¼ - 13 years; provide for semi-annual coupon payments; pay a fixed rate coupon less than or equal to 7%; have no terms permitting or requiring early redemption; have both principal and interest denominated in GBP; not be in convertible or bearer form; be fully paid on or prior to the Last Notice Day for the Delivery Month; and have an aggregate principle amount outstanding of not less than £1.5 billion which shall be fungible. Holders of long positions on any day within the Notice Period may be delivered against during the delivery month.</p> <p>Deliverable bonds should satisfy the above standards and be identified as deliverable by CurveGlobal Markets not less than ten Trading Days prior to the First Notice Day of the Delivery Month.</p>			
Listing Day	First Trading Day following the Last Trading Day			
Contract Lifetimes and Expiration Months	The three nearest quarterly months of the March, June, September and December cycle.			
Daily Settlement Price (DSP)	The DSP will be calculated at 16:15 London time and disseminated shortly afterwards. It will be derived from the volume weighted average of the prices of all transactions during the minute before 16:15 London time, provided that five or more trades are transacted within this period. If there is insufficient trade data available for an expiry month, the DSP will be established using a Fair Value model. In the event that a price cannot be determined, the Exchange will determine the DSP in accordance with the Rules of CurveGlobal Markets.			
Daily Cash Settlement	One Bank day after the Trade Day / calculation of Daily Settlement Price for cash movements of Daily Settlement Amounts.			
Exchange Delivery Settlement Price (EDSP)	The EDSP is established on the second Trading Day prior to the Delivery Day at 11:00 London time based on the volume weighted average price of all trades during the final five minutes of trading provided that more than five trades occurred during this time, otherwise the volume weighted average price of the last five trades of the day, provided that these are not older than 60 minutes. If there is insufficient trading data available, the EDSP will be established using a Fair Value model. In the event that a price cannot be determined, the exchange will determine the EDSP in accordance with the Rules of CurveGlobal Markets.			
Delivery Day	Any Trading Day in delivery month (at seller's choice).			
Last Trading Day	Two Trading Days prior to the last Delivery Day in the delivery month. On the Last Trading Day, trading in the front delivery month will cease at 11:00 London time.			

⁸ List of Deliverable Gilts can be found on the CurveGlobal Markets website

3.0 Appendix

3.1 Long Gilt Futures Conversion Factor calculation

For each Deliverable Gilt, which has to be fully paid, the Conversion Factor (CF) will be calculated in accordance with the formula:

$$CF = \frac{1}{\left(1 + \frac{x}{2}\right)^{f_e}} \left[d_1 + \frac{d_2}{\left(1 + \frac{x}{2}\right)} + \frac{c}{x} \left(\frac{1}{\left(1 + \frac{x}{2}\right)} - \frac{1}{\left(1 + \frac{x}{2}\right)^n} \right) + \frac{1}{\left(1 + \frac{x}{2}\right)^n} \right] - AI$$

where:

DD: Delivery date

NCD: Next quasi-coupon date after the first day of the delivery month

1NCD: 1 quasi-coupon period after NCD

NCD1: 1 quasi-coupon period before NCD

NCD2: 2 quasi-coupon periods before NCD

e: $NCD1 - DD$

b_e: If $e < 0$, $b_e = NCD - NCD1$

If $e \geq 0$, $b_e = NCD1 - NCD2$

f_e: $1 + \frac{e}{b_e}$

d₁: The fraction of the coupon *c* due on NCD.

$d_1 < c/2$ if the first day of the delivery month occurs in a short first coupon period

$d_1 = 0$ if the first day of the delivery month occurs in the first quasi-coupon period of a long first coupon period;

$d_1 = 0$ if the first day of the delivery month occurs in the ex-dividend period;

$d_1 > c/2$ if the first day of the delivery month occurs in the second quasi-coupon period of a long first coupon period.

d₂: The fraction of the coupon *c* due on 1NCD

$d_2 > c/2$ if the first day of the delivery month occurs in the first quasi coupon period of a long first coupon period;
otherwise:

$d_2 = c/2$

x: Notional coupon as specified in contract specifications (e.g. $x = 0.04$ for a 4% notional coupon).

c: Annual coupon (e.g. $c = 0.02$ for a Bond paying 2% coupon).

n: Number of full coupon periods between the following quasi-coupon date and the redemption date.

AI: Accrued interest per £1 nominal of the Gilt calculated using the formula set out below.

Accrued Interest

The accrued interest (AI) in the formula set out above will be calculated in accordance with the following formulae:

A. If the first day of the delivery month occurs in a standard coupon period, and:

- the first day of the delivery month occurs on or before the ex-dividend date:

$$AI = \frac{t}{s} \times \frac{c}{2}$$

- the first day of the delivery month occurs after the ex-dividend date:

$$AI = \left(\frac{t}{s} - 1 \right) \times \frac{c}{2}$$

B. If the first day of the delivery month occurs in a short first coupon period, and:

- the first day of the delivery month occurs on or before the ex-dividend date:

$$AI = \frac{t^*}{s} \times \frac{c}{2}$$

- the first day of the delivery month occurs after the ex-dividend date:

$$AI = \left(\frac{t^* - r}{s} \right) \times \frac{c}{2}$$

C. If the first day of the delivery month occurs in a long first coupon period, and:

- the first day of the delivery month occurs during the first quasi-coupon period:

$$AI = \frac{t^*}{s_1} \times \frac{c}{2}$$

- the first day of the delivery month occurs during the second quasi-coupon period on or before the ex-dividend date:

$$AI = \left(\frac{r_1}{s_1} + \frac{r_2}{s_2} \right) \times \frac{c}{2}$$

- the first day of the delivery month occurs during the second quasi-coupon period and after the ex-dividend date:

$$AI = \left(\frac{r_2}{s_2} - 1 \right) \times \frac{c}{2}$$

where:

AI: accrued interest per £100 nominal of the Gilt

c: Annual coupon (e.g. $c = 0.02$ for a Bond paying 2% coupon).

t: The number of calendar days from and including the previous quasi-coupon date up to but excluding the first day of the delivery month

s: The number of calendar days in the full quasi-coupon period in which the first day of the delivery month occurs

*t**: The number of calendar days from and including the issue date up to but excluding the first day of the delivery month;

r: The number of calendar days from and including the issue date up to but excluding the next quasi-coupon date

*s*₁: The number of calendar days in the full quasi-coupon period in which the issue date occurs;

*s*₂: The number of calendar days in the next full quasi-coupon period after the quasi-coupon period in which the issue date occurs;

*r*₁: The number of calendar days from and including the issue date up to but excluding the next quasi-coupon date;

*r*₂: The number of calendar days from and including the quasi-coupon date after the issue date up to but excluding the first day of the delivery month which falls in the quasi-coupon period after the quasi-coupon period in which the issue date occurs.

3.2 German Bonds Futures Conversion Factor calculation

For each Deliverable German Bond, the Conversion Factor (CF) will be calculated in accordance with the formula:

$$CF = \frac{1}{(1+x)^{f_e}} \left[c * f_l + \frac{c}{x} \left(1 - \frac{1}{(1+x)^n} \right) + \frac{1}{(1+x)^n} \right] - AI$$

where:

DD: Delivery date

NCD: Next coupon date after delivery date

NCD1: 1 year before next coupon date

NCD2: 2 years before next coupon date

LCD: If *DD* is in the first coupon period, *LCD* = Issue date; otherwise

LCD = last coupon date before delivery date

x: Notional coupon as specified in contract specifications (e.g. $x = 0.06$ for a 6% notional coupon).

c: Annual coupon (e.g. $c = 0.02$ for a Bond paying 2% coupon).

n: Number of full coupon periods between the following coupon date and the redemption date.

e: $NCD1 - DD$

b_e: If $e < 0$, $b_e = NCD - NCD1$

If $e \geq 0$, $b_e = NCD1 - NCD2$

f_e: $1 + \frac{e}{b_e}$

l: $NCD1 - LCD$

b_l: If $l < 0$, $b_l = NCD - NCD1$

If $l \geq 0$, $b_l = NCD1 - NCD2$

f_l: $1 + \frac{l}{b_l}$

AI: Accrued interest per €1 nominal of the Bond calculated using the formula: $c * (f_l - f_e)$

3.3 CurveGlobal® Three month SONIA Futures EDSP Calculation

The EDSP shall be calculated by reference to the Sterling Overnight Index Average rate as calculated and published by the Bank of England in respect of each London Banking Day (on a T+1 basis) during the Accrual Period.

$$\text{EDSP} = 100 - R$$

Where R is calculated as:

(a) EDSP Rate

$$R = \left\{ \frac{365}{d} \left[\prod_{i=1}^X (F_i) - 1 \right] \right\} * 100$$

where

- d = the total number of calendar days in the Accrual Period;
- X = the total number of SONIA fixings that are determined in the Accrual Period, i.e. the number of London Banking Days in the relevant Accrual Period;
- i = is a series of whole numbers from 1 to X , each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Accrual Period;
- F_i = the overnight factor of return that applies to the i^{th} SONIA rate of the Accrual Period determined as

(b) Accrual Factor

$$F_i = \left(1 + \frac{\text{SONIA}_i * n_i}{365} \right)$$

rounded to 8 decimal places, where

SONIA_i = the SONIA reference rate published by the Bank of England which applies to any day i in the relevant Accrual Period and will be published on next London Banking Day;

n_i = the number of calendar days that the SONIA_i rate applies to. It represents the number of days between one SONIA fixing and the next. On dates which are not London Banking Days, the SONIA rate that corresponds to the most recent prior London Banking Day will also apply over the following sequence of consecutive non-London Banking Days.
E.g. Friday's rate (published on the Monday) will apply to Friday, Saturday and Sunday, in this calculation.

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