

London Stock Exchange Derivatives Market

MARKET NOTICE 2019/029

Launch of CurveGlobal[®] One month SONIA Futures, new serial contracts for CurveGlobal[®] Three month SONIA Futures and accompanying Inter-Commodity Spreads between CurveGlobal[®] One month and Three month SONIA Futures on 29 July 2019

London Stock Exchange Derivatives Market (LSEDM) announces that CurveGlobal[®] One month SONIA Futures and new serial contracts for CurveGlobal[®] Three month SONIA Futures will be admitted to trading on 29 July 2019, subject to regulatory approval.

The CurveGlobal[®] One month SONIA Futures will be based on a compounded SONIA¹ rate calculated over the relevant accrual period². The Exchange Delivery Settlement Price for the contract will be priced as 100 minus this rate, following fixed tick market convention for STIR Futures.

Further information on CurveGlobal[®] One month SONIA Futures and new serial contracts for CurveGlobal[®] Three month SONIA Futures can be found in the Contract Specifications attached to this notice. Contracts that would be in accrual on 29 July 2019 will not be listed.

In addition, Inter-Commodity Spreads (ICS) between CurveGlobal[®] SONIA Futures, which permit contingent and simultaneous execution in both contracts with no legging risk, will also be made available. The ICS is designed to buy one lot of CurveGlobal[®] One month SONIA Futures and sell one lot of CurveGlobal[®] Three month SONIA Futures. This functionality includes the ability to imply tradable prices in the ICS from orders in the outright markets and also imply from orders in the ICS out to the constituent legs.

The launch of the new CurveGlobal[®] SONIA Futures will be supported by the introduction of a Liquidity Provider Programme on CurveGlobal[®] One month SONIA Futures. Prospective liquidity providers interested in providing liquidity in the CurveGlobal[®] One month SONIA Futures will be invited to tender for acceptance to LSEDM's Liquidity Provider Programme. Further details will be announced in due course.

The new CurveGlobal[®] SONIA Futures will be cleared by LCH Limited.

LSEDM would also like to draw Member Firms' attention to the publication of an updated version of the Bilaterally Negotiated Trade Guide (available in the [document library](#)). The new version of the document clarifies that Block Trades with two or more legs in the same Listed Product to achieve a weighted average/blended price would qualify as a Block Trade strategy and, thus, for a reporting time period of 15 minutes.

¹ Sterling Over Night Index Average (SONIA[®]). The "SONIA" mark is used under license 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 trade marks of the Bank of England.

² Relevant accrual period is the 3rd Wednesday of the contract maturity month to the next month's 3rd Wednesday minus 1 day

If you have any questions, please contact the LSEDM Sales Team on +44 (0) 20 7797 3833 or by email lseadm.sales@lseg.com.

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