

Clearing SONIA* Futures

Easing the Transition to the New Sterling Benchmark

LCH The Markets' Partner

Listed Rates

Transitioning away from LIBOR** presents a huge challenge for financial markets. By clearing CurveGlobal® One and Three Month SONIA Futures, we help ensure a smooth and orderly transition of your sterling portfolios.

LCH Spider, our automated portfolio margining tool, is now available for cross-product margining of all CurveGlobal® contracts — including SONIA Futures — against OTC swaps. This provides additional opportunities for capital efficiencies by reducing collateral requirements for SONIA Futures against offsetting OTC positions.

CLEARING INNOVATION

We have now expanded our SONIA Futures offering with the launch of clearing for CurveGlobal® One Month SONIA Future. This new monthly contract has been designed to complement the existing CurveGlobal® Three Month SONIA Future.

Our clearing offering for the existing Three Month contract has also been enhanced, with the addition of four new serial months to join the quarterly cycle.

So take advantage of the opportunity to clear your entire rates futures portfolio through LCH — maximising your initial margin savings and maintaining your competitive edge. As well as these efficiencies, you'll gain access to unparalleled rates liquidity and the most extensive service offering of any CCP — from OIS, FRAs, IRS and inflation to futures.



KEY BENEFITS

01. Enable smooth transition to SONIA
02. Hedge positions more easily
03. Avoid legging risk by using the CurveGlobal® Inter Commodity Spread (ICS)
04. Consolidate listed rates initial margin — and make savings with PAIRS margin methodology
05. Increase capital efficiencies for SONIA contracts through LCH Spider

HOW DOES IT WORK?

The CurveGlobal® One Month and Three Month SONIA Futures are based on the overnight reference rate for sterling, as calculated and published by the Bank of England.

Contract	Contract Notional GBP	Fixed Tick Size	Tick Value GBP
CurveGlobal® One Month SONIA Future	1,500,000	0.005	6.25
CurveGlobal® Three Month SONIA Future	500,000		

Cash-settled futures contracts with daily cash settlement

CURVEGLOBAL® INTER COMMODITY SPREAD

The ICS between CurveGlobal® Three Month SONIA Futures and CurveGlobal® Three Month Sterling Futures allows participants to trade against orders that can be implied from combinations of orders resting in outright markets and/or orders resting in the strategy markets.

01. Exchange created ICS pricing
02. Full "implied in" and "implied out" pricing supported
03. Enables cross-market trading with no legging risk
04. Better execution on the "implieds"

The launch of the CurveGlobal® One Month SONIA Future also enables users to benefit from an innovative new ICS that links the pricing of the CurveGlobal® Three Month and new One Month SONIA Futures.

MAKE SMARTER DECISIONS

With the LCH Smart tool, you can approximate margin and conduct what-if scenarios to more efficiently manage your rates derivatives portfolios.

- Easy-to-use desktop application and API available to all members and clients
- Quick-entry grids to simulate your listed positions at LCH
- Comprehensive view of diversified IM to make smarter choices for clearing at LCH

IT'S EASY TO GET INVOLVED

If you're an existing listed rates member, you can clear all eligible contracts. Otherwise, simply follow these steps:



Become a member

- Ensure that your firm is clearing-eligible at LCH
- Make a default fund contribution
- Submit all necessary membership documentation



Get connected

- Connect to an eligible listed rates exchange partner — LCH is currently live with CurveGlobal®
- Connect to Synapse for trade and position management
- Get configured for MQ messaging



Complete LCH testing

- Complete a series of tests to ensure your operational readiness
- Complete training, with LCH's dedicated Client Services team on hand to guide you

CONTACT US

To find out more, contact us at listedratesmembershipsales@lch.com.

DISCLAIMER This document has been provided to you for informational purposes only and is intended as an overview of certain aspects of, or proposed changes to, services provided by LCH Group Holdings Limited, LCH Limited, SwapAgent Limited, LCH S.A. or LCH.Clearnet LLC (each an, "LCH Company"). This document does not, and does not purport to, contain a detailed description of any aspect of an LCH Company service or any other matter set out in this document, and it has not been prepared for any specific person. This document does not, and does not seek to, constitute advice of any nature. You may not rely upon the contents of this document under any circumstance and should seek your own independent legal, investment, tax and other advice. The information contained in this document does not constitute a recommendation or offer with respect to any derivative contract, financial instrument, security or service. No LCH Company makes any representation, warranty, condition or guarantee (express or implied) that the contents of this document are accurate, complete or up-to-date, and no LCH Company makes any commitment to offer any particular product or service. No LCH Company shall have any liability for any losses, claims, demands, actions, proceedings, damages, costs or expenses arising out of, or in any way connected with, the information contained in this document, except that each LCH Company accepts liability for personal injury or death caused by its negligence, for its fraud or wilful misrepresentation, and for any other liability which cannot be excluded by applicable law. Copyright © LCH Limited 2020. All rights reserved. SwapClear, ForexClear and SwapAgent are registered trademarks of LCH. The information contained in this document is confidential. By reading this document, each recipient agrees to treat it in a confidential manner and will not, directly or indirectly, disclose or permit the disclosure of any information in this document to any other person (other than its regulators or professional advisers who have been informed of the confidential nature of the information) without the prior written consent of an LCH Company.

*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.

**ICE LIBOR is a trademark of ICE Benchmark Administration.