

# Clearing SONIA\* Futures

## Easing the Transition to a New Benchmark

**LCH** The Markets' Partner

Listed Rates

With the emergence of a new sterling benchmark, it's never been more important to ensure a smooth transition of your sterling portfolios.

That's why — to coincide with the launch of SONIA as a reference rate for listed sterling derivatives contracts — we're now clearing the CurveGlobal® Three Month SONIA Future, the first of its kind.

With this, we've also introduced clearing of the CurveGlobal® Inter Commodity Spread (ICS) components — between CurveGlobal® Three Month SONIA Futures and CurveGlobal® Three Month Sterling Futures — delivering the benefits of reduced margin requirements using LCH's PAIRS methodology, increased cross-market choice within your listed GBP portfolio, and the requirement to contribute to only a single default fund.

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® ICS
04. Consolidate listed rates initial margin — and make savings with PAIRS margin methodology
05. Contribute to a single rates default fund



### HOW IT WORKS

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

# 500,000

Contract Notional GBP

# 0.005

Fixed Tick Size

# 6.25

Tick Value GBP

Cash-settled futures contracts with daily cash settlement

### CURVEGLOBAL® INTER COMMODITY SPREAD

The ICS between the new 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.



Exchange created ICS pricing



Full "implied in" and "implied out" pricing supported



Enables cross-market trading with no legging risk

## 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

## FIND OUT MORE

To find out more, contact us at [listedratesmembershipsales@lch.com](mailto:listedratesmembershipsales@lch.com)

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