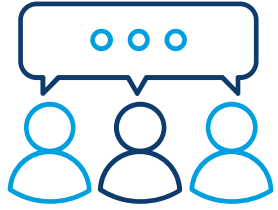# ASX Realised AONIA

November 2019

AONIA vs Realised AONIA

What's the difference?

What is AONIA?

AONIA is more commonly known as the RBA Interbank Overnight Cash Rate or the 'Cash Rate' for short. AONIA is calculated and published by the Reserve Bank of Australia each day and represents the weighted average interest rate at which banks are willing to borrow and lend unsecured cash on an overnight basis. AONIA is a risk free or close to risk free rate.

What is Realised AONIA?

Realised AONIA applies a compounding formula to the daily AONIA rate, to determine the compounded average rate over the prior 1 to 6 month period.

Realised AONIA reflects the average rate at which banks have transacted in the overnight AUD cash market on an unsecured basis over the past 1 to 6 months.

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What are the benefits of Realised AONIA?

Transaction based
The RBA AONIA rate is based on interbank transactions in the overnight cash market

$4bln
Average volume transacted per day

Benchmark diversity
Provides users of benchmarks with optionality when determining the appropriate reference rate to use in a transaction

Realised AONIA

BBSW

Global consistency
Developed in line with global calculation methods for other overnight Risk Free Rates (RFR's)

Risk Free Rate
AONIA is a risk free or close to risk free rate (does not include bank credit risk) which may be a more appropriate reference rate to use in certain transactions

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How is Realised AONIA calculated?

Realised AONIA is calculated based on the observed Cash Rate (AONIA) compounded daily in arrears over the observation period for a tenor, the observation period being the period between the Start Date (inclusive) up to but excluding the End Date.

The Start and End Date will always be good Business Days [1].

$$r = \frac{365}{d} \left[\prod_{i=1}^{d_0} \left(1 + \frac{AONIAi * ni}{365} \right) - 1 \right]$$

Where:

r: Realised AONIA rate for tenor

d_0: the number of Business Days in the period

i: a series of whole numbers from 1 to d_0 that each represent the applicable Business Days in the period in chronological order, from and including, the first Business Day in the period (Start Date) up to but excluding the last Business Day in the period (End Date).

AONIAi: Cash Rate applicable for any day "i" in the calculation period

ni: number of calendar days between Business Days for which the AONIAi rate applies (normally 1 day for Monday- Thursday, 3 days for Friday including the weekend. When a public holiday falls on a Friday or a Monday, ni will be 4 days)

d: calendar days from and including the Start Date up to but excluding the End Date (number of calendar days in the period)

[1] *A Business Day is any day that banks are open for business in Sydney. For non-good Business Days in the period, the previous days Cash Rate will be applicable. For example, Friday's rate will be applied to Saturday and Sunday. The Realised AONIA holiday calendar is included in appendix A of the calculation methodology document. The calculation is based on Sydney Banking Day convention in line with ISDA Definitions.*

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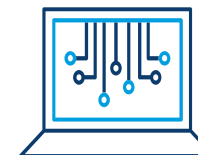# How can I receive Realised AONIA rates?

Realised AONIA rates are published via
- Email
- Bloomberg
- Refinitiv

Two years of historical Realised AONIA data can be made available to subscribers upon request.

To receive Realised AONIA rates or request access to historical data, please contact ASX Benchmarks:

E: Benchmarks@asx.com.au

Realised AONIA codes	Bloomberg	Refinitiv
All tenors	ASX32	AONIARF=
1m	AOIAR1M	AONIA1MRF=ASXB
2m	AOIAR2M	AONIA2MRF=ASXB
3m	AOIAR3M	AONIA3MRF=ASXB
4m	AOIAR4M	AONIA4MRF=ASXB
5m	AOIAR5M	AONIA5MRF=ASXB
6m	AOIAR6M	AONIA6MRF=ASXB

Realised AONIA fees will initially be waived for BBSW Subscribers for internal use only (excludes access via vendor platforms). Subscribers wishing the reference Realised AONIA in contractual documentation can contact ASX Benchmarks for information on purchasing a subscription package.

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For more information contact
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