

Interest Rates and OTC Markets Wrap



April 2018

ASX Rates Futures

➤ High volume in AUD\$ Rates Futures reflects strong liquidity

A record **36.9m** contracts across AUD\$ Interest Rates Futures Products traded in Q1-2018, vs previous high of 34.6m from Q2-2017 - see ADV, OI and night session volume metrics on final pages.

ASX OTC Clearing

➤ Record volumes in AUD\$ OTC Clearing

ASX AUD\$ OTC Interest Rate Derivatives cleared a monthly record **\$694bn** in February 2018, with Q1-2018 also clearing a quarterly record of **\$1,814bn** (+24% YoY).

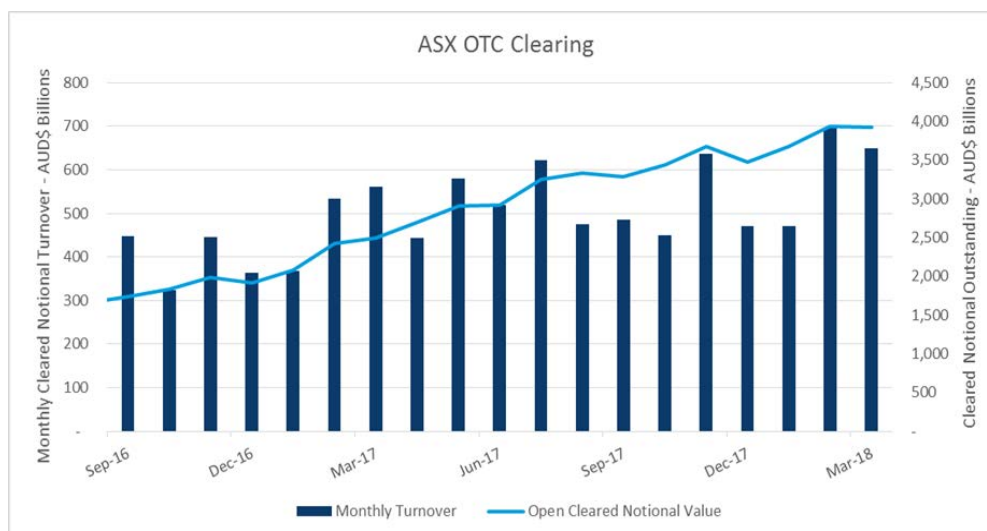
The Total Open Cleared Notional has surpassed **\$3.9tr** (+58% YoY).

➤ NZD\$ OTC Clearing extends maximum maturity on IRS

ASX NZ\$ OTC Interest Rate Derivatives Clearing service extended the maximum maturity on NZ BKBM Interest Rate Swaps from 2 year to 15 years. The below NZ\$ OTC products are eligible for clearing:

- NZ BKBM Interest Rate Swaps to a maximum maturity of 15 years.
- NZ Overnight Index Swaps (NZ OIS) to a maximum maturity of 2 years.

ASX is the only CCP globally to clear NZD OIS.



ASX BBSW Update

➤ ASX BBSW - industry wide parallel run on new VWAP

ASX began an industry wide parallel run for the new Volume Weighted Average Price (VWAP) BBSW methodology on 26th March 2018. After consultation with participants on market readiness, the parallel run is to be extended to give participants time to finalise the necessary contractual arrangements and be fully compliant with the trade reporting obligation. ASX will issue a market notice detailing the target date for completion of the parallel run and go live of the new methodology.

Results of the parallel run will be made available weekly in arrears on the [benchmarks](#) page from 16th April 2018.

ASX 24 Packs and Bundles

➤ **Trade multiple bank bills in a single transaction, without the legging risk**

ASX Packs and Bundles functionality on AUD and NZD 90day Bank Bill, with "implied in" functionality that leverages prices and liquidity in the underlying bank bill futures, provides **price transparency** and **execution certainty**. Fills on individual legs could be at a finer tick increment (0.5bps) than the underlying market.

- AUD pack and bundle functionality is on front 12 contracts (white, red and green pack, and red and green bundles).
- NZD pack and bundle functionality is on front 8 contracts (white and red packs, and red bundle).

See here for full details including Data Vendor Codes and Strip Leg Allocation Process.

ASX24 TRADING SCREEN WITH PRICES ON PACKS AND BUNDLES, AND UNDERLYING FUTURES CONTRACTS

Name	Bid Qty	Bid Price	Ask Price	Ask Qty
IRM8	265	98.080	98.090	8,200
IRU8	2,003	98.070	98.080	4,590
IRZ8	92	98.010	98.020	10,802
IRH9	1,076	97.930	97.940	5,384
IRM9	4,078	97.840	97.850	750
IRU9	872	97.760	97.770	1,772
IRZ9	2,006	97.680	97.700	2,714
IRH0	1,526	97.610	97.620	3
IRM0	134	97.550	97.560	3
IRU0	140	97.490	97.510	200
IRZ0	54	97.440	97.470	205
IRH1	64	97.390	97.420	50
WPM8	30	98.020	98.035	1,147
RPM9	218	97.720	97.735	3
GPM0	54	97.465	97.490	3
RBM8	18	97.870	97.885	3
GBM8	18	97.735	97.755	1

PACK PRICES: WP, RP, GP

BUNDLE PRICES: RB, GB

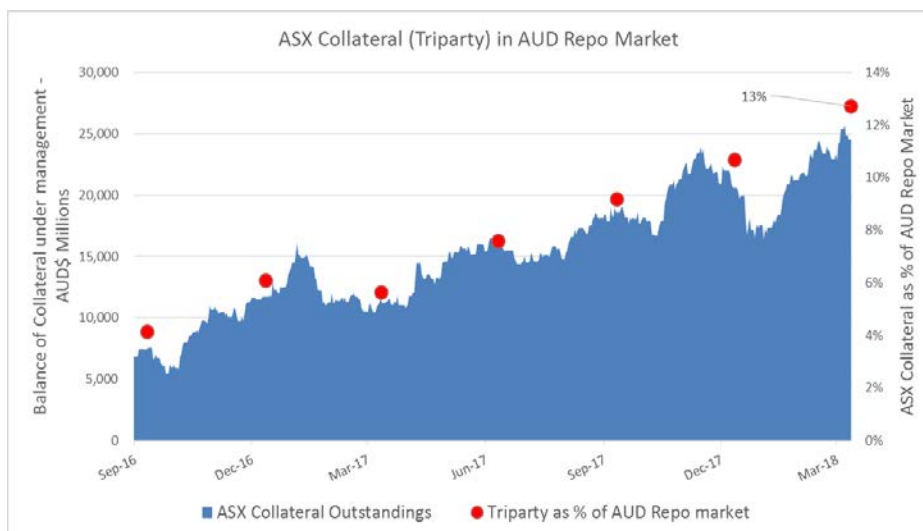
ASX Collateral

➤ **Continued strong growth in Collateral under Management**

ASX Collateral (Triparty Collateral Management) service continues to show strong growth, with a record **\$25.7bn** collateral balances as of March 2018, representing **13%** of the AUD\$ FI Repo market*.

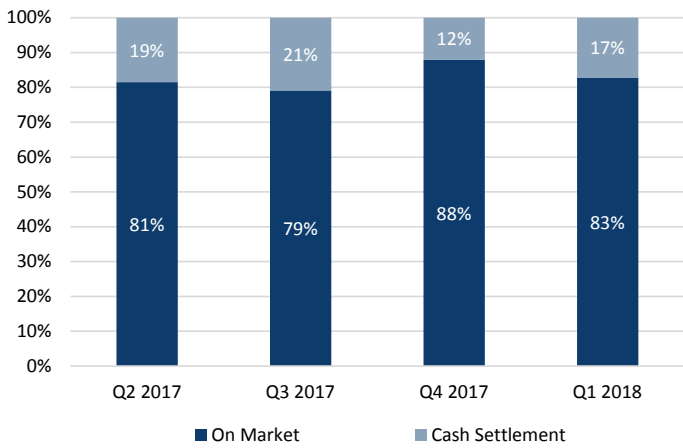
Q4-2017 also saw a high mark of **43%** of the daily RBA OMO (Open Market Operation) settling via ASX Collateral.

*Based on latest RBA b03 quarterly report from December 2017.

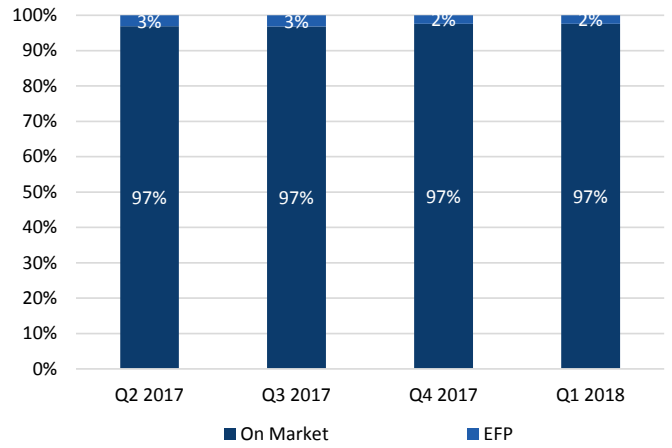


Volume by trade types - ASX Interest Rate Futures

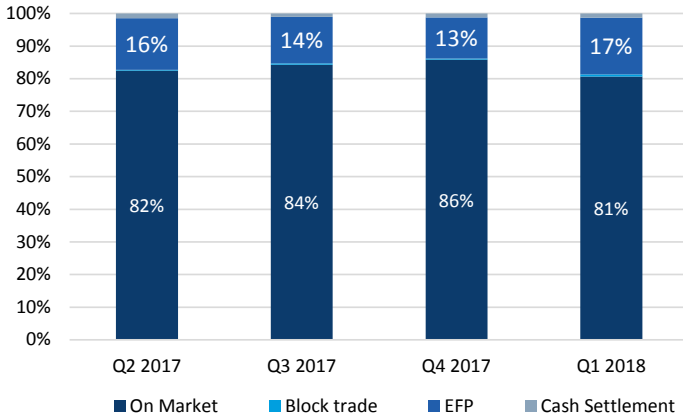
30 Day Interbank Cash Rate Futures



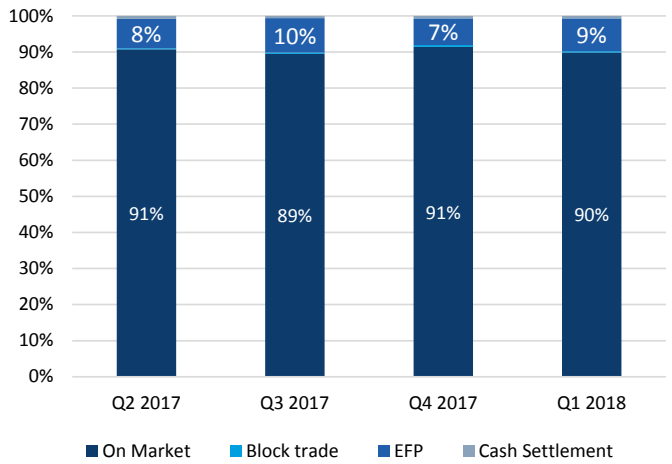
90 Day Bank Bill Futures



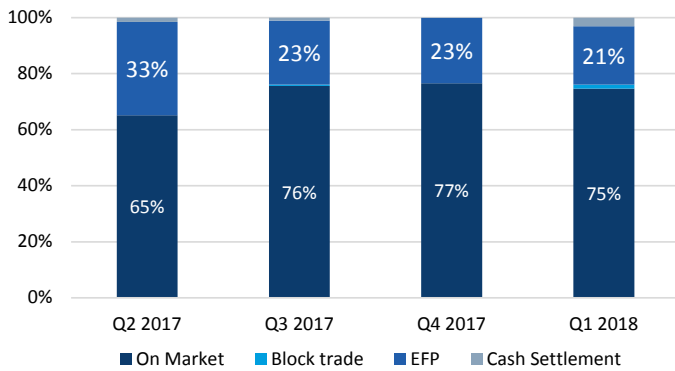
3 Year Treasury Bond Futures



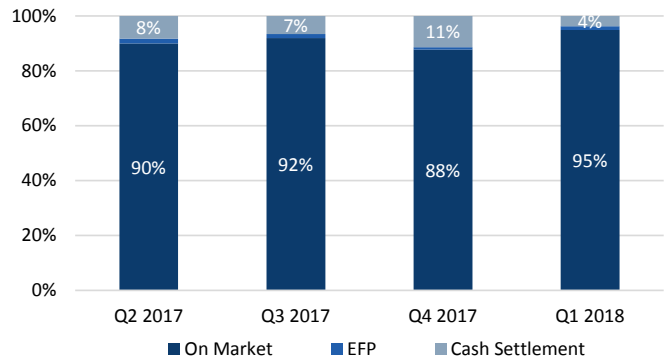
10 Year Treasury Bond Futures



20 Year Treasury Bond Futures

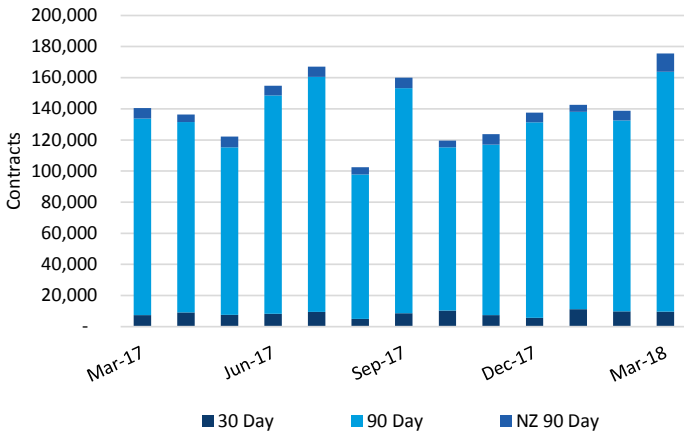


NZ 90 Day Bank Bill Futures

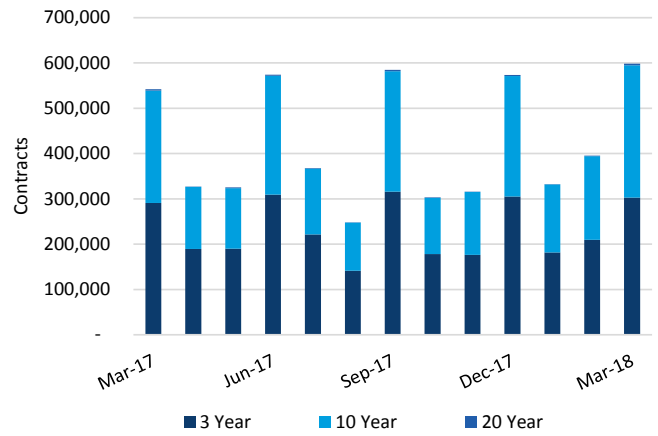


Interest Rate Derivatives Volume

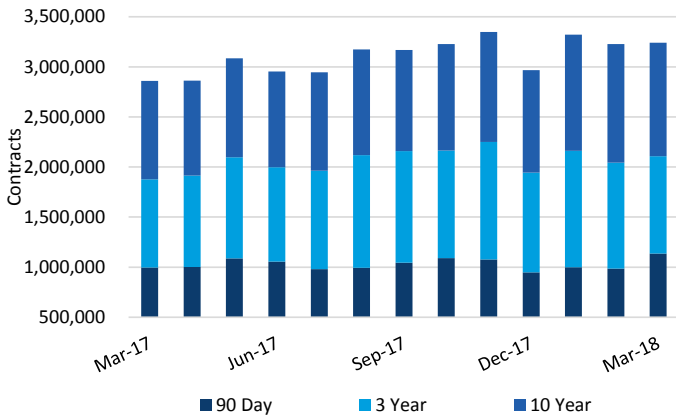
Short Term IR Futures ADV



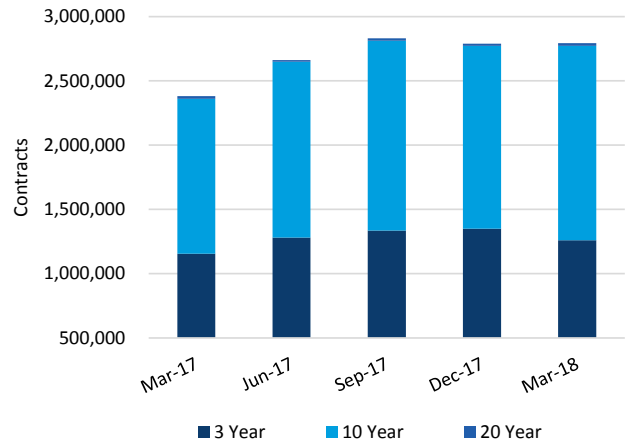
Long Term IR Futures ADV



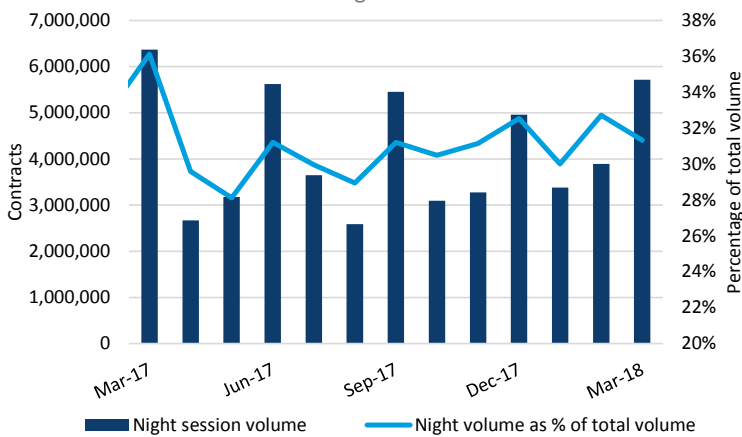
Open Interest



Roll Volume



ASX 24 Night Session Volume



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