

FTSE 100 Index Total Return Futures

The innovative FTSE 100 Total Return Futures (TRFs) are the centrally cleared alternative to OTC Total Return Swaps. TRFs are a listed solution for trading implied equity repo rate. Using TRFs mitigates pressure on capital, collateral and balance sheets due to new bilateral margining rules for non-cleared OTC derivatives.

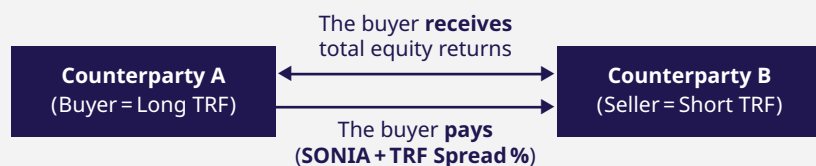
A LISTED SOLUTION FOR IMPLIED EQUITY REPO TRADING

FTSE 100 Index TRFs increase market transparency as liquidity is consolidated and fungibility can be brought into the current TRS market.

By accessing the payoff profile of a standardized equity total return swap in a cost-effective manner, the buyer receives the entire equity performance of the index, including distributions.

In return, the buyer pays for the financing costs associated with the equity index component. FTSE 100 Index TRFs are quoted and traded at conventional spread terms (+/- basis points).

The 10-year exposures of the FTSE Index 100 TRFs are available at any time.



What are the key benefits?



Reduce balance sheet costs

TRFs aim to cost-effectively replicate the payoff profile of OTC Total Return Swaps, creating a positive effect on capital requirements.



Portfolio margining

Trade TRFs with other Equity and Equity Index ETDs within PRISMA, e.g., EURO STOXX® Futures for significant netting effects.



Increased transparency

Based on a standardized set of contract specifications (standardized maturities) with on screen liquidity providers and daily published settlement prices within the Eurex T7 system.



Risk mitigation

Provides the widest toolkit to support the structured products, allowing the hedging of delta, dividend, and repo exposure on one of the biggest underlying benchmarks in Europe.



Contract specifications

	FTSE® 100 Index Total Return Futures (TTUK)	Bloomberg: IUEA <Index>	Refinitiv: <#TTUK>
Underlying Indices	FTSE® 100 Index (UKX) FTSE® 100 Cumulative Dividend Points Index (UKXCD) Sterling Overnight Index Average (SONIA)		
Contract Multiplier	GBP 10 per index point		
Quotation (TRF Spread) (basis points)	TRF Spread as annualized rate expressed in basis points with one decimal (+/- /0)		
Minimum TRF Spread Change (basis points)	+/- 0.5 basis points		
Minimum tick size (index points)	0.01 index points (i.e. tick size value of GBP 0.10)		
TRF Spread Conversion	The TRF Spread will be converted within the T7 trading system into TRF futures prices expressed in index points.		
Trade Types: TAC & TAM	<ul style="list-style-type: none"> • Trade at Close (“TAC”) with an index level based on daily Index Close • Trade at Market (“TAM”) with a custom-defined index level 		
Accrued Distributions & Funding (index points)	The distribution and funding rate payments will be accumulated from the product launch (29 March 2021) and added to the TRF futures price in index points. The daily changes in distributions and funding payments are paid out via variation margin.		
Contract Months	Up to nine years and eleven months: <ul style="list-style-type: none"> • The nearest 12 quarterly months of the March, June, September and December cycle, and • Subsequent 7 annual December expiries 		
Settlement	Cash settlement, payable on the first exchange day following the Final Settlement Day		
Last Trading Day	The Eurex trading day immediately preceding the Expiration day		
Expiration Day	3rd Friday of each expiration month if this is an exchange day; otherwise the immediately preceding exchange day		
Final Settlement Price (FSP) (index points)	Established by Eurex on Expiration Day and based the following components: Final Settlement Price of FTSE® 100 Index Futures (FTUK), Accrued Distributions and Accrued Funding from the product launch until the Expiration Day		
FSP Reference Price Index Future	Final Settlement Price of the FTSE 100® Index Futures (FTUK) on Expiration Day		
Minimum Block Trade Size	100 contracts		
Trading Hours	Order book (TAC): 10:15 – 17:25 CET / Trade Entry Services (TAC & TAM): 10:15 – 22:00 CET Last trading day trading until: 17:30 CET		

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Contact

EUREX SALES

Nicolas Kageneck
T +33-1-5527-6776
nicolas.kageneck@eurex.com

EQUITY & INDEX PRODUCT DESIGN

Stuart Heath
T +44-20-78 62-7253
stuart.heath@eurex.com

Elena Marchidann
T +44-20-78 62-7265
elena.marchidann@eurex.com



Find out more online at
www.eurex.com/ftse