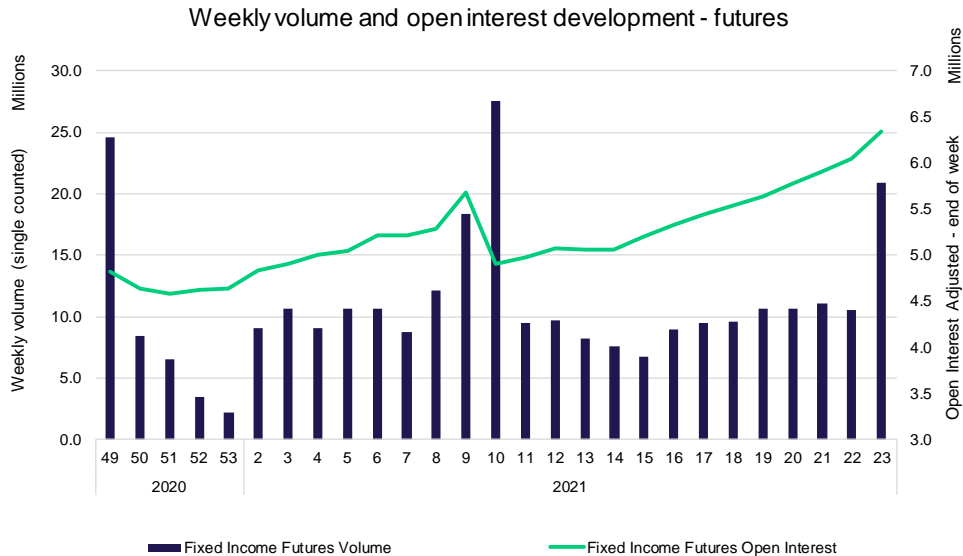




# This quarter 4 of the 6 core fixed income futures changed CTD



- The month of May (week 18 to 22) saw increased activity across fixed income futures
- This was supported by heightened rates volatility as a result of the sharp change in inflation expectations
- Volumes are now peaking on week 23 as the roll activity to the September 2021 expiry is taking place
- The fixed income futures roll to the September 2021 contracts saw a change of the cheapest-to-deliver bond (CTD) in three out of four German benchmark futures.
- Also the 10-year BTP futures changed CTD.
- The duration of the new CTDs is greater than the previous CTD in all German futures, therefore when rolling to the next expiry, the futures exposure needed to hedge the same amount of risk is lower.
- The contrary can be seen in the case of the CTDs in Italian FBTPs, where the duration of the Sep 2021 CTD is actually lower.

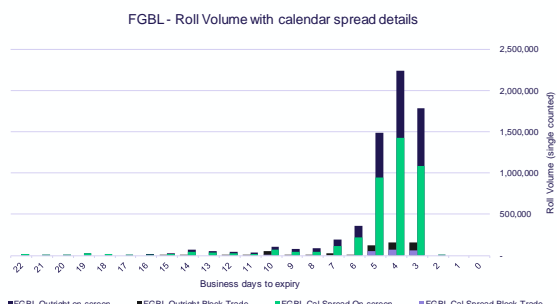
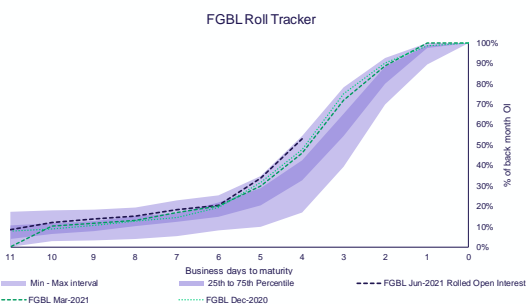
Data on open interest and volumes as of Thursday 3<sup>rd</sup> of June

## Overview of the futures CTD across expiries

Product	June 2021		September 2021		CTD Change	Duration ratio
	CTD	Duration at Jun expiry	CTD	Duration at Sep expiry		
FGBX	DBR 2 1/2 08/15/46	31.30	DBR 2 1/2 08/15/46	31.30	NO	1.0000
FGBL	DBR 0 02/15/30	8.93	DBR 0 08/15/30	9.41	YES	0.9490
FGBM	DBR 0 1/2 02/15/26	4.93	OBL 0 04/10/26	5.01	YES	0.9840
FGBS	BKO 0 03/10/23	1.79	BKO 0 06/16/23	2.06	YES	0.8656
FBTP	BTPS 3 1/2 03/01/30	9.50	BTPS 1.35 04/01/30	8.74	YES	1.0878
FOAT	FRTR 2 1/2 05/25/30	10.08	FRTR 2 1/2 05/25/30	10.08	NO	1.0000

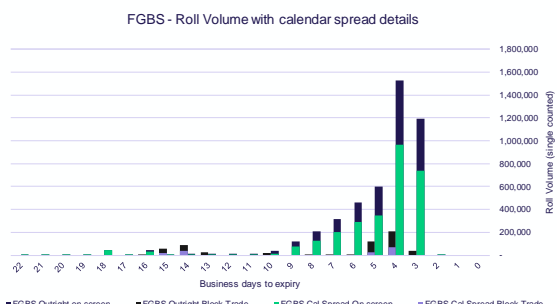
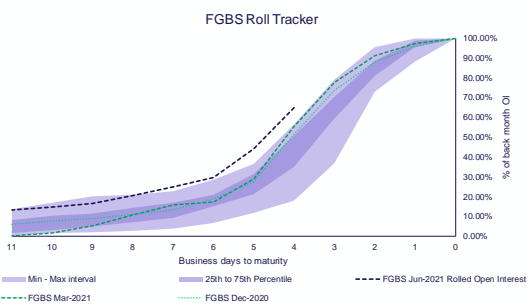


# Fixed income futures roll – June 2021



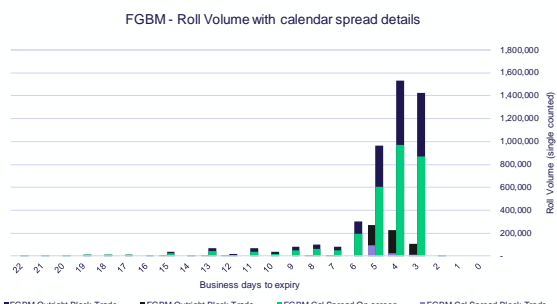
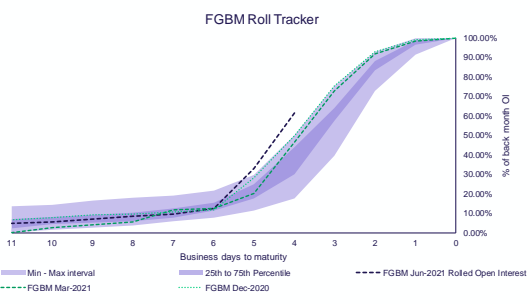
**FGBL**

- The bulk of the roll activity has been executed this week starting on Tuesday
- The open interest transitioned to the Sep 2021 expiry was over 50% at 4days to expiry.
- Currently the roll is above the historical pace as the roll activity accelerated only recently.
- Most of the roll activity is executed on the CLOB, mainly in calendar spreads strategies.



**FGBS**

- The roll activity peaked on Wednesday.
- Differently from the other German futures, Schatz saw bouts of roll-transactions throughout the whole last week of May
- The open interest transitioned to the Sep 2021 expiry was over 60% 4days to expiry.
- The pace of the roll is well above historical pace.



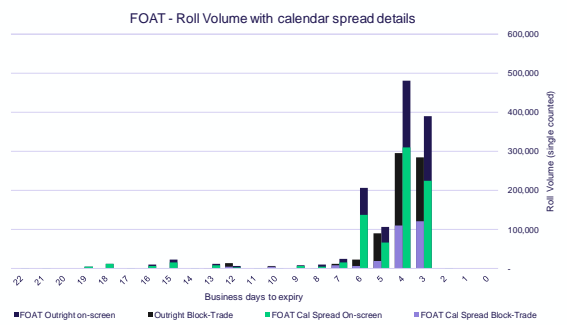
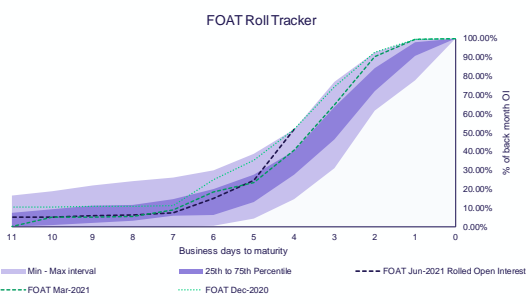
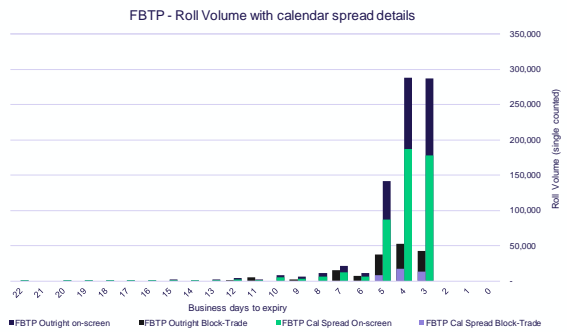
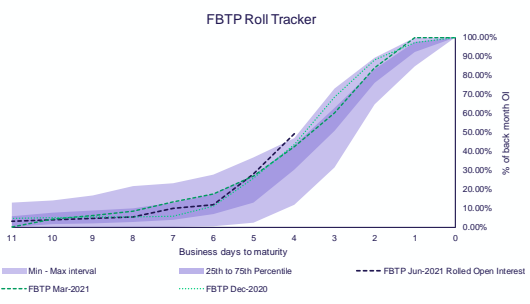
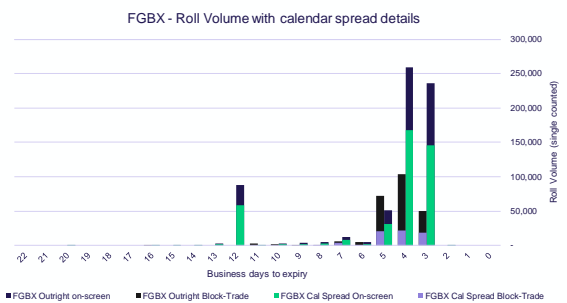
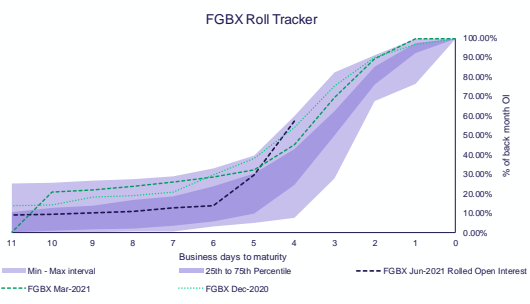
**FGBM**

- The bulk of the roll activity has been executed this week starting on Tuesday
- The open interest transitioned to the Sep 2021 expiry was near 60% at 4days to expiry.
- Currently the roll is well above the historical pace as the trading spiked on Tuesday
- Most of the roll activity is executed on the CLOB, mainly in calendar spreads strategies

Data on open interest and volumes as of Thursday 3<sup>rd</sup> of June



# Fixed income futures roll – June 2021



Data on open interest and volumes as of Thursday 3<sup>rd</sup> of June

**FGBX**

- Some roll activity started on the last week of May, with a large position rolled about 12 days prior to expiry.
- The open interest transitioned to the Sep 2021 expiry was above 50% at 4days to expiry
- Currently the roll activity has accelerated above historical pace
- A significant portion of roll activity has taken place in off-book calendar spread strategies

**FBTP**

- The bulk of the roll activity has been executed this week starting on Tuesday
- The open interest transitioned to the Sep 2021 expiry was over 40% at 4days to expiry.
- Currently the roll is slightly above the historical pace
- Most of the roll activity occurs on the CLOB

**FOAT**

- Roll activity started late last week.
- The open interest transitioned to the Sep 2021 expiry was of about 50% at 4 days to expiry.
- During the last few days the roll has accelerated and is now above the historical pace
- A significant portion of roll activity has taken place in off-book calendar spread strategies

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