

## IDEX USD INTEREST RATE SWAP FUTURES

The IDEX USD Interest Rate Swap Futures are contracts on USD denominated interest rate swaps with a notional value of \$100,000, requiring the exchange of periodic semi-annual fixed rate payments based on the futures price in exchange for quarterly floating rate payments based on the 3-month USD London Interbank Offered Rate ("USD LIBOR"). The buyer of the contract will be the payer of the fixed rate and the seller of the contract will be the payer of the floating rate.

**Schedule:** The Exchange at any given time may list for trading IDEX USD Interest Rate Swap Futures Contracts having maturities from one day to thirty years, with a contract maturing on every calendar day. The Maturity Date of each individual IDEX USD Interest Rate Swap Futures Contract shall be established by the Exchange on the date each such contract is listed by the Exchange.

**Effective Date:** Will be 2 Week Days after the execution date of any individual IDEX USD Interest Rate Swap Futures Contract, adjusted by the Following Business Day Convention for New York.

**Maturity Date:** Will be the final payment date, unadjusted by any Business Day Convention, of the IDEX USD Interest Rate Swap Futures Contract and shall be established by the Exchange on the listing date.

**Reset Date:** Will be 2 London Business Days preceding the start of the floating interest accrual period. The only exception to this is the first floating interest accrual period where the Reset Date will be the execution date unless this is not a good London Business Day in which case the Reset Date will be the first good London Business Day preceding the listing date.

**Payment Schedule:** Periodic payments on the IDEX USD Interest Rate Swap Futures Contract will be made on a semi-annual basis for the fixed rate payments, and on a quarterly basis for the floating rate payments. Each payment date in the IDEX USD Interest Rate Swap Futures Contract will be defined by the Effective Date, the Maturity Date, and the payment frequency of the fixed or floating side as appropriate, adjusted by the Modified Following Business Day convention for New York and London.

The Start Date of the nth interest accrual period is the Effective Date for the series plus  $(n-1) \times$  payment frequency of the fixed or floating side as appropriate, adjusted by the Modified Following Business Day convention for New York and London. The only exception to this is the Start Date of the first interest accrual period which will be the Effective Date

The End Date of the nth interest accrual period is the Effective Date for the series plus  $n \times$  payment frequency of the fixed or floating side as appropriate, adjusted by the Modified Following business day convention for New York and London.

The Interest Payment Date of the nth interest period is the End Date of the same interest accrual period.

**Floating Rate Payment:** The floating rate payment for a given accrual period shall be an amount equal to the Notional Value multiplied by the USD LIBOR setting multiplied by the Actual/360 Accrual Year Fraction.

**Fixed Rate Payment:** The fixed rate payment for a given accrual period shall be equal to the notional value multiplied by the fixed rate multiplied by the 30/360 Accrual Year Fraction.

**Minimum Price Increments:** The prices of the IDEX USD Interest Rate Swap Futures Contracts are expressed as the interest rate of the fixed leg portion of the swap. The minimum price interval is .001 percent.

# Contract Specifications

**Last Trading Day:** Trading of any individual IDEX USD Interest Rate Swap Futures Contract terminates at the close of trading on the last day on which the Exchange is open for the trading of IDEX USD Interest Rate Swap Futures Contracts preceding that contract's Maturity Date.

## GLOSSARY

*Following Business Day Convention* means the date will be adjusted to be the first following day that is a Business Day in the locations listed.

*Modified Following Business Day Convention* means the date will be adjusted to be the first following day that is a Business Day in the locations listed unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day in the locations listed.

*Preceding Business Day Convention* means the date will be adjusted to the first preceding day that is a Business Day in the locations listed.

*Business Day* means a day in which the banking system is open to settle payments in the locations listed.

*Week Day* means any calendar day which is not a Saturday or Sunday.

*Actual/360 Accrual Year Fraction* means the actual number of days in the interest period in respect of which payment is being made divided by 360.

*30/360 Accrual Year Fraction* means the number of days in the interest period in respect of which payment is being made (assuming 30 day months) divided by 360, calculated on a formula basis as follows;

$$\{[360 \times (Y2-Y1)] + [30 \times (M2-M1)] + (D2-D1)\}/360$$

Where:

Y1 is the year, expressed as a number, in which the start date of the interest period falls.

Y2 is the year, expressed as a number, in which the end date of the interest period falls.

M1 is the calendar month, expressed as a number, in which the start date of the interest period falls.


M2 is the calendar month, expressed as a number, in which the end date of the interest period falls.

D1 is the first calendar day expressed as a number, of the interest period, unless such a number would be 31, in which case D1 will be 30.

D2 is the last calendar day, expressed as a number, of the interest period, unless such a number would be 31 and D1 is greater than 29, in which case D2 will be 30.

# Contract Specifications

---

|   |   |
|---|---|
|  <p><b>IDCG</b><br/>INTERNATIONAL<br/>DERIVATIVES<br/>CLEARING GROUP</p> | <p>150 East 52<sup>nd</sup> Street<br/>New York, NY 10022<br/>Phone 212.933.9800<br/><a href="http://www.IDCG.com">www.IDCG.com</a></p> |
|---|---|

©2008 International Derivatives Clearing Group, LLC. All rights reserved.

The information in this publication is taken from sources believed to be reliable. However, it is intended for purposes of information and education only and is not guaranteed by the International Derivatives Clearing Group as to accuracy, completeness, nor any trading result, and does not constitute trading advice or constitute a solicitation of the purchase or sale of any futures, options, or securities. Additionally, all examples in this brochure are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. The Rules and Regulations of the International Derivatives Clearing Group should be consulted as the authoritative source on all current contract specifications and regulations.

