ASX 30 Day Interbank Cash Rate Futures and Options

Interest Rate Markets Fact Sheet

ASX AUSTRALIAN SECURITIES EXCHANGE

ASX's 30 Day Interbank Cash Rate Futures contract, based on the Interbank Overnight Cash Rate published by the Reserve Bank of Australia, allows users to hedge against fluctuations in the overnight cash rate and better manage their daily cash exposures. The 30 Day Interbank Cash Rate Futures and Options also present both outright and spread trading opportunities for traders.

The ASX 30 Day Interbank Cash Rate Futures and Options contracts can specifically be used for:

- Managing interest rate risk at the short end of the yield curve
- Managing balance sheet mismatches
- Hedging against anticipated fluctuations in the overnight cash rate
- Outright trading on anticipated changes, or lack of changes, in the official cash rate
- rading on anticipated changes in the yield curve shape
- Income enhancement opportunities for portfolios with cash exposures
- Spread trading against 90 Day Bank Bill Futures and Options

Attractive margin concessions are available on calendar spreads as well as inter-commodity spreads for offsetting positions held in the 90 Day Bank Bill Futures and 3 Year Government Bond Futures.

The 30 Day Interbank Cash Rate Futures and Options are approved for trading by:

- US Commodity Futures Trading Commission (CFTC)
- UK Financial Services Authority (FSA)
- Monetary Authority of Singapore (MAS) and
- Hong Kong Securities and Futures Commission (SFC Hong Kong)

30 Day Cash Rate Futures

Features

- Monthly contracts available up to 18 months ahead
- Minimum price increment of 0.005 basis points. A 0.01 basis point move is equal to AUD24.66
- Cash Settled against the monthly average of the Interbank Overnight Cash Rate as published by the Reserve Bank of Australia for that contract month
- Official Market Maker, Deutsche Bank AG, provides two way quotes in all 18 months

30 Day Cash Rate Options

Monthly Options are listed on the first four 30 Day Interbank Cash Rate Futures months.

Pre-negotiated Business Rules are applicable to the 30 Day Interbank Cash Rate Options. These rules provide Participants with the opportunity to facilitate client business off market prior to disclosing and then crossing orders on the trading platform, SYCOM®.

Benefits of Exchange Traded Markets

Trading on SFE offers the following specific benefits of exchange traded markets, such as:

- Price transparency and liquidity
- Immediate execution and confirmation
- Reduction of counterparty risk
- Centralised clearing supported by a clearing guarantee

Contract Specifications For 30 Day Interbank Cash Rate Futures and Options

	30 DAY INTERBANK CASH RATE FUTURES	30 DAY INTERBANK CASH RATE OPTIONS
Commodity Code	IB	IB
Option Style	-	American
Contract Unit	Average monthly Interbank Overnight Cash Rate payable on a notional sum of AUD 3,000,000	One unit of futures contract for a specified contract month on the Sydney Futures Exchange
Contract Months	Monthly up to 18 months ahead	Monthly up to 4 months ahead
Minimum Price Movement	Quoted in yield percent per annum in multiples of 0.005 per cent. For quotation purposes yield is deducted from 100. A one basis point move of 0.01 per cent is equal to AUD24.66	Quoted in yield per cent per annum in multiples of 0.005 per cent. A one basis point move of 0.01 per cent is equal to AUD24.66
Exercise Prices	-	Set at intervals of 0.125 per cent per annum. New option exercise prices created automatically as the underlying futures contract price moves
Contract Expiry[1]	Trading shall cease at 4.30pm on the last business day of the expiry month	Trading shall cease at 12.30pm on the business day prior to the Last Trading Day in the underlying futures contract
Settlement Method[1]	The Cash Settlement Price is equal to 100 minus the cash settlement rate, where the cash settlement rate is the monthly average of the Interbank Overnight Cash Rate (OCR) for that contract month calculated by taking the sum of the daily OCR, as published by the Reserve Bank of Australia, divided by the number of days for that month. On weekends and public holidays, when no OCR is published the Cash Rate published on the previous business day will be used for settlement price calculation. The Cash Settlement Price is rounded to the nearest multiple of 0.001. The Cash Settlement Price shall be announced to the market by 12.00pm on the first business day following the Last Trading Day. All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by SFE Clearing at the Cash Settlement Price	Options may be exercised on any business day up to and including the day of expiry. In-the-money options are automatically exercised at expiry or abandoned.
Trading Hours[1]	5.14pm to 7.00am and 8.34am to 4.30pm (for period from second Sunday in March to first Sunday in November) 5.14pm to 7.30am and 8.34am to 4.30pm (for period from first Sunday in November to second Sunday in March)	As for 30 Day Interbank Cash Rate Futures
Settlement Day	The second business day following the last permitted day of trading	-

1 Unless otherwise indicated, all times are Australian Eastern Standard Time / Australian Eastern Daylight time. For full contract specifications refer to www.asx.com.au

30 Day Interbank Cash Rate Futures and Options Data Vendor Access Codes*

	IB FUTURES	IB OPTIONS	RBA OVERNIGHT CASH RATE
ASX Code	IB	IB	–
Bloomberg	IBA <CMDTY>	IBA <CMDTY> OMON	RBA16; RBACOR <INDEX>
Bourse Data	IB	IB	–
CQG	IBCR	IBCR	–
Interactive Data	IBmy	–	–
Interactive Data RTS	17mIBmy	–	–
FutureSource/eSignal	DAY : AIB FULL: ASB	– –	– –
IRES Market Technology	IBmy	IB m y csssss IB m ypsssss	CASH
Reuters	FULL: 0#YIB: DAY: 0#2YIB: NIGHT: 0#1YIB:	 DAY: 0#2YIBmy+ NIGHT: 0#1YIBmy+	RBA36 AUCASH=RBAA
Telekurs	3,IBym,359 I	BymCSTRIKE,359 IBymPSTRIKE,359	– –
Thomson Reuters	IB/YYM	–	–

* Data vendor codes are current as at October 2009. A current list of codes is available at www.asx.com.au

About ASX

As one of the world's top-10 listed exchange groups, measured by its market capitalisation, the ASX Group was created through the merger of the Australian Stock Exchange and the Sydney Futures Exchange. The ASX Group operates under the brand Australian Securities Exchange.

The Australian Securities Exchange spans the markets for corporate control, capital formation and price discovery and functions as an operator, supervisor, central counterparty clearer and payments system facilitator.

The diverse domestic and international customer base of the Australian Securities Exchange includes issuers of a variety of listed securities, corporates, investment banks, trading banks, fund managers, hedge funds, commodity trading advisers and proprietary and retail traders.

More information on ASX can be found on our website **www.asx.com.au**

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For these contracts the market is operated by Sydney Futures Exchange Limited ACN 000 943 377