EUREX Architects of trusted markets

EurexOTC Clear

Release 17.0

Focus Call

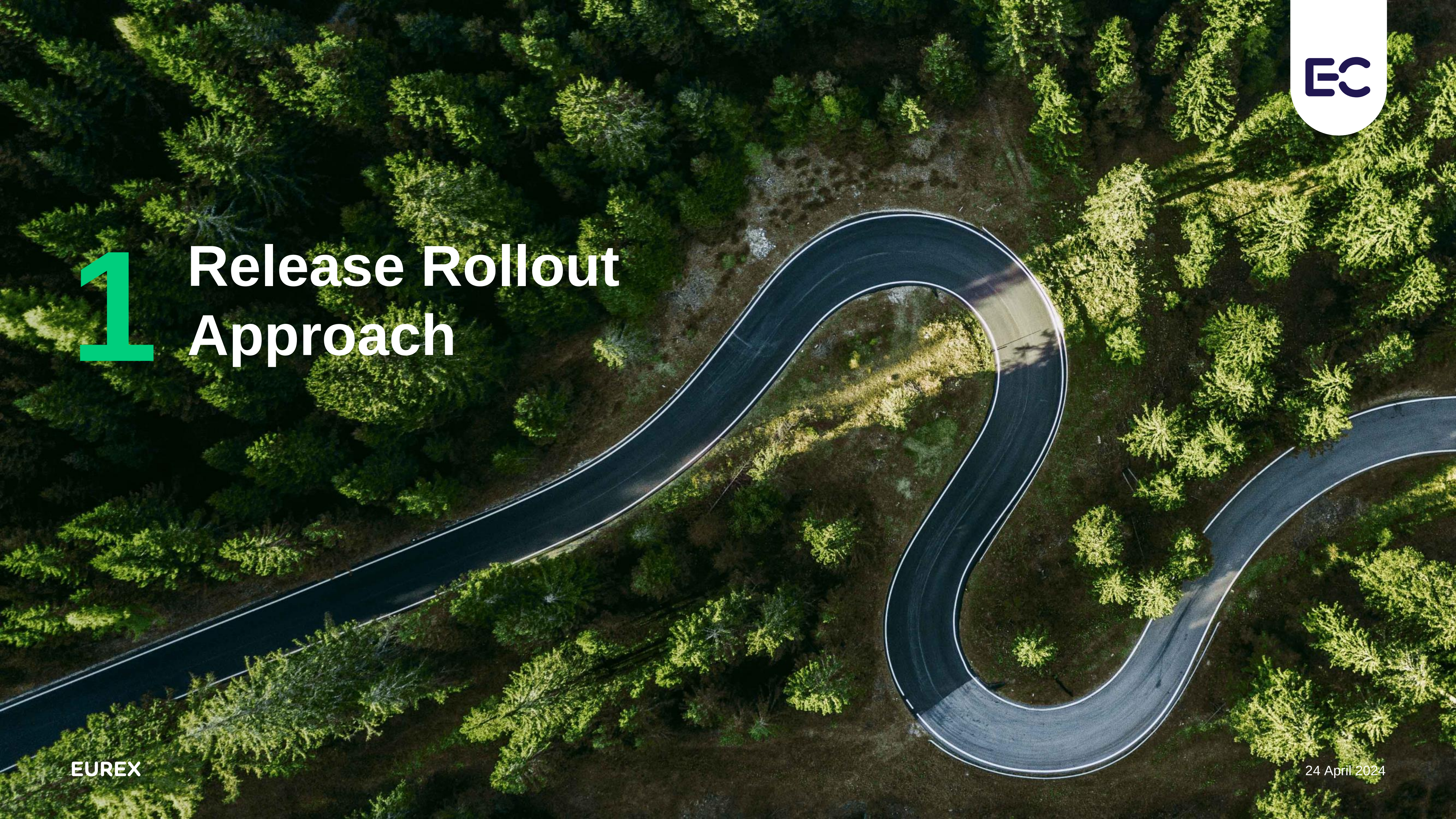
24 April 2024

Agenda

1 Release Rollout Approach for 2024

2 Release 17.0 – Scope Items

3 Questions & Answers



1 Release Rollout Approach

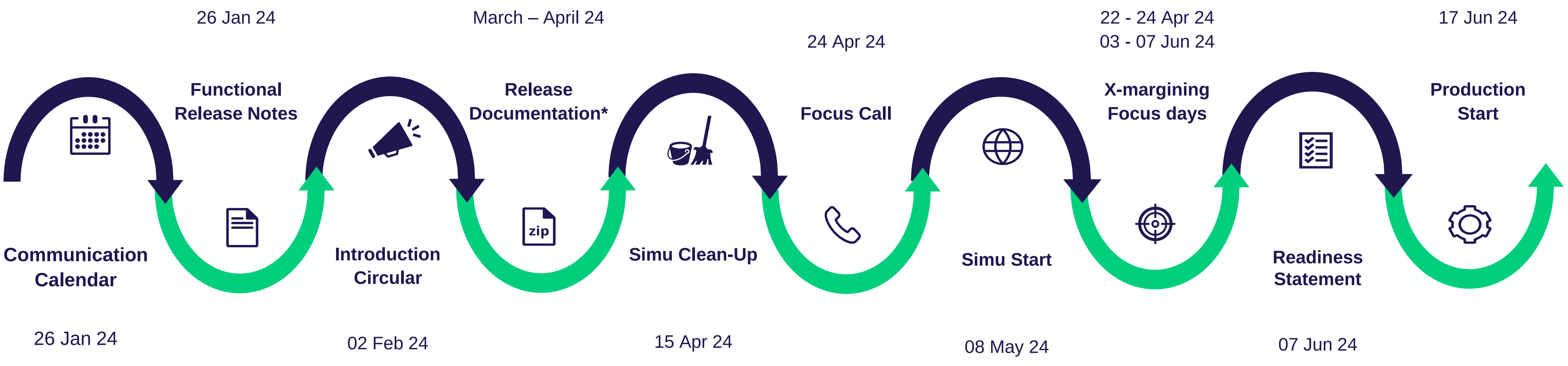
Release Rollout Approach for 2024

	2024											
	Q1			Q2			Q3			Q4		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
EurexOTC Clear 17.0					8 May	17 Jun						
EurexOTC Clear 18.0										9 Oct	18 Nov	

Simulation Start (8 May, 9 Oct) · Production Go-live (17 Jun, 18 Nov)

Key Dates & Information

EurexOTC Clear Release 17.0



*Detailed information on the names of documents can be found in communication calendar

2 EurexOTC Clear Release 17.0 – Scope Items

Release 17.0 - Scope Items

Scope Items
Introduction of Inflation Linked Asset Swaps
API Changes
Report Changes
GUI Changes

Introduction of Inflation Linked Asset Swaps

Overview

Inflation Linked Products		
	Zero Coupon	**Standard Coupon**
Maximum Maturity	50 years	50 years
Currency	Euro	Euro
Inflation Leg Notional	Constant Notional	Constant notional value that can differ to the fixed Leg
Inflation Leg Payment Period	Zero Coupon	Monthly Quarterly Semi Annual Annual
Inflation Index	HICPxt	HICPxt
Inflation Lag	2m to 12m	2m to 12m
Inflation Index Ratio	(CPIT/CPI0)-1	(CPIt/CPI0)
Fixed Leg Rate	Fixed	Fixed
Fixed Leg Notional	Constant Notional	Constant notional value that can differ to the Inflation Leg
Fixed Leg Payment Period	Zero Coupon	Monthly Quarterly Semi Annual Annual
Day Count Fraction	(1/1)	Act/Act (ICMA) Act/360 Act/365

- Inflation linked asset swaps use the SCIS (Standard Coupon Inflation Swaps) template in MarkitWire
- An extension of Zero-Coupon Inflation Swap (ZCIS) by offering exposure to an inflation index which can be swapped for a fixed rate
- Coupons can be scheduled monthly, quarterly, semi-annually, or annually
- SCIS denominated in Euro referencing the HICPxT up to a maturity of 50 years to be supported with Release 17.0

Introduction of Inflation Linked Asset Swaps

Implementation Scope

	Impementation Scope	OTC Clear Release 17.0
Timeline & Interface	**Go-Live**	PROD → 17 June 2024 UAT → 20 May 2024
	Supported Trade Submission Interface	MarkitWire Interface
Eligibility Criteria	**Supported Inflation Index**	EUR-HICPxT
	Supported Stub Period	None
	Supported Calculation Method	Ratio (CPIt / CPI0)*
	Supported Calculation Style	ZeroCoupon
Additional Updates	**Netting Eligibility**	None
	PTE Performed Via	OTC GUI & FpML-API
	PTE MarkitWire Synchronization	Enabled
	OTC Margin Calculator GUI / API	Supported / Not Supported

*CPIt → Current Inflation Index, CPI0 → Initial Inflation Index

API Changes

Clearing Broker (CB) Take-up request messages sent outside Eurex Clearing business hours

Processing of the take-up grant and take-up refuse requests sent by the CB outside Eurex System operating hours will be possible. Trade will be moved to the next status, i.e.:

- If the TakeUpGranted message is received, the trade will be moved from ***BS_WAIT_TAKEUP*** status to ***BS_WAIT_MARGIN*** status
- If the TakeUpRefused message is received, the trade will be moved from ***BS_WAIT_TAKEUP*** to ***BS_REJECTED***
- The respective trade notification messages will be sent to the submitting system
- Incremental Risk Check and trade novation will start on the next business day

A new field "ReportTrackingNumber" in OTC trade notification messages

- A new optional "ReportTrackingNumber" will be provided by ATS
- Trade notification messages will be enhanced to include this field
- EurexAPIXML XSD will be updated

Additional API Changes

Update of Trade Notification Messages

- With the introduction of Inflation linked asset swaps, a new value “SCIS” will be introduced for the tag <EurexAPLXML:productSubType>
- New FpML tags relevant to SCIS will be introduced in the FpML part of Broadcast messages
- All the cancelled trades out of full netting in NettingNotification message will be presented with “nettedTradeId” field, filled with “0” value. Earlier, this field was filled with unique positive number

Report Changes (1/3)

Adjustment of currentfloatrate and currentcompound rate fields

The following changes are to be made:

- *CurrentCompoundrate* – values will exclude the spread
- *CurrentFloatRate*
  - tag will be blank from [Period Start Date] until [Period End Date - 1], and display the final known rate on [Period End Date] only (value excluding spread as currently reported)
  - Will be displayed in decimals
- *Currentfixrate* - Will be displayed in decimals
- *Currentfloatratespread* - Will be displayed in decimals

Affected Reports

Report Name	Code
Variation Margin Report	CC203 / CC222

Report Changes (2/3)

Introduction of Inflation Linked Asset Swaps

- No structural changes
- The FpML-part of some reports will contain additional FpML tags
- New transaction types to be reflected in CD200 / CD210
- Some impacted member reports will contain the new product type *“SCIS”**
- *ExtendedProductType* will be updated with the value “*SCIS”* in the report CC233

Affected Reports

Report Name	Code
IRS Cashflow Forecasts	CD200 / CD210
Trade Novation Report	CB200 / CI200
Trade Daily Summary Report	CB201 / CI201
Full Inventory Report	CB202 / CB207
OTC Incremental Risk Report	CC205 / CI205
Preliminary OTC Margin Call Report	CI206
OTC Margin Call Report	CC207 / CI207
Preliminary Backloading Margin Report	CC217 / CI217
Backloaded Portfolio Report	CI218
DV01 Sensitivity Report for IRS	CC233
Daily Cash Account CM	CD710

*Please refer to the Functional Release Notes and the Report Manual for the full list of impacted reports

Report Changes (3/3)

Display of cancelled trades out of full netting in Netting report

- For cancelled trades out of full netting, "CCPTradeId" field filled with "0" value. Earlier, this field was filled with unique positive number
- The FPpML details for these trades will not be displayed

Affected Reports

Report Name	Code
Netting report	CC244 / CC264

GUI Changes

OTC GUI

- Display of the current notional values for Variable Interest Rate Swaps in the OTC Clear GUI Trade Search Results table
- Enhancement of OTC Clear GUI with the introduction of Inflation linked asset swaps*
  - The new product in the Bilateral and Cleared Trades Windows
  - New columns in Trade Search Results table, Modify table, and Deal Ticket
  - Display of cashflows in the Cashflows window
  - Download of SCIS trades for margin calculation is possible

MC GUI

- Enhancement of the MC GUI with the introduction of Inflation linked asset swaps**
  - Modification of the Margin Calculator Trade Template with the new trade type "SCIS" and new columns "Coupon Rate" & "Final Exchange"
  - New fields "Coupon Rate" & "Final Exchange" in the MTM breakdown download

*Partial PTEs and netting will not be supported for SCIS with Release 17.0
**Trade Insert Tool & Clearing Eligibility Checker will not be supported for SCIS with Release 17.0. Also, Margin Calculation via MC API is out of scope for R17.0

4 Questions?

Annex

Standard Coupon Inflation Swaps

New FpML Tags

Tag	Possible Values	Description & Impact on Coupon Amount & Final Payments
<swap> <swapStream> <principalExchanges> <finalExchange>*	true, false	If "**Final Exchange**" flag was set in tab "Index/Bonds" in the MW GUI, then the tag <finalExchange> will be populated with the value **true**, otherwise the tag will be populated with the value **false**. Impact: If true, then final payment will be made on both legs, else no final payment will be conducted on both legs. Inflation Leg Final Payment = Ninf *(CPIt /CPI0) Fixed Rate Leg Final Payment = Nfixed
<swap> <swapStream> <principalExchanges> <initialExchange>*		If the "**Initial Exchange**" flag was set in tab "Index/Bonds" in the MW GUI, then the tag <initialExchange>will be populated with the value **true**, otherwise the tag will be populated with the value **false**.
<swap> <swapStream> <principalExchanges> <intermediateExchange>*		If the "**Intermediate Exchange**" flag was set in tab "Index/Bonds" in the MW GUI, then the tag <intermediateExchange>will be populated with the value **true**, otherwise the tag will be populated with the value **false.**
<swap> <swapStream><bondReference><bond><instrumentId>	A valid ISIN or CUSIP	The ISIN or CUSIP of the Bond is a mandatory field in the MW GUI (Tab: Index/Bonds).
<swap> <swapStream><bondReference><bond><couponRate>	Bond rate in [%]	Field "Coupon rate" in the MW GUI (Tab: Index/Bonds) Impact: The coupon amount on the inflation leg depends on the bond rate
<swap> <swapStream><bondReference><bond><maturity>	Bond maturity date in format: YYYY-MM-DD	Field "Bond Maturity" in the MW GUI (Tab: Index/Bonds)
<swap> <swapStream><bondReference><conditionPrecedentBond>	XXXX	The reference provided in the trade submission messages will be returned via the trade notification messages.

*The tag is available on each leg (inflation and fixed leg), and its value is always the same on each leg

Standard Coupon Inflation Swaps

Impact on Member Reports

Report Name	Report Code	Format
Full Inventory Report	CB202	XML
Cash Forecast Report for OTC IRS	CD200	XML
Settlement Adjustment Report	CD211	XML
Intraday Settlement Report	CI280	XML
Intraday Fixing Report	CI281	XML
Rate Reset Report	CD201	XML
Overall Margin Report	CC204	XML
Client Margin Report	CC208	XML
Preliminary OTC Margin Call Report	CI206	XML
Backloaded Portfolio Report	CI218	XML
DV01 Sensitivity Report for IRS	CC233	CSV
OTC Margin Call Report	CI207, CC207	XML
Preliminary Backloading Margin Report	CI217, CC217	XML
Hedge Portfolio Report (Non - Member specific report)	CC212	CSV
Hedge Portfolio Report (Member specific report)	CC212	CSV
Trade Novation Report	CI200, CB200	XML
Trade Daily Summary Report	CI201, CB201	XML
OTC Incremental Risk Report	CI205, CC205	XML
Variation Margin Report	CC203	XML

Standard Coupon Inflation Swaps

Impact on Member Reports - New Cash Transaction types

Report Name	Report Code	Format
Daily Cash Transactions	CD709	XML
Daily Cash Account CM	CD710	XML
Daily Cash Account Holder	CD711	XML
Daily Cash Account NCM / RC	CD712	XML
Detailed Account Statement	CD715	XML

Thank you!

Muzayyan Gadimova
Readiness Project Manager

Eurex Frankfurt AG
Mergenthalerallee 61
65760 Eschborn
Tel: +49 (171) 208 77 49
muzayyan.gadimova@deutsche-boerse.com

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