ASX 3 Month Overnight Index Swap Futures

Interest Rate Markets Fact Sheet

3 Month Overnight Index Swap Futures (3 Month OIS Futures) are based on the OTC 3 month overnight index swap rate. The contract allows users to hedge against fluctuations in the official cash rate, better manage their cash exposures and take advantage of outright and spread trading opportunities.

3 Month OIS Futures are approved for trading by the following regulators:

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

Key contract features

- Quarterly contracts listed up to 12 months ahead
- Cash Settled against the 3 month overnight index swap rate on the Last Trading Day. The cash settlement price is calculated from quotes obtained from fifteen banks active in the OIS market. Further details on the cash settlement calculation process is available from the ASX website **www.asx.com.au/3monthois**
- Minimum price increment of 0.005 basis points. A 0.01 basis point move is equal to AUD24.66
- Two Official Market Makers providing two way quotes in all months listed. Information on the minimum volume and bid offer spreads are available from the ASX website **www.asx.com.au/3monthois**

For additional information on the pricing of 3 Month OIS Futures, please refer to *The Guide to Pricing ASX Interest Rate Products*.

Trading 3 Month OIS Futures

Trading in 3 Month OIS Futures is conducted 'On market' via ASX's electronic platform ASX Trade24 and 'Off market' through 'Exchange for Physicals' transactions.

Spread trading functionality is available for calendar and inter-commodity spreads against ASX's 90 Day Bank Bill Futures (IR).

Attractive spread concessions are available on calendar spreads as well as inter-commodity spreads for offsetting positions held in the 90 Day Bank Bill Futures.

Benefits of Exchange Traded Markets

Trading on ASX 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.

About ASX

As one of the world's top 10 listed exchange groups, measured by its market capitalisation, the ASX Group lists 3 Month OIS Futures 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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Contract Specification for 3 Month Overnight Index Swap Futures

Contract Unit	Amount payable on a notional sum of AUD 1,000,000 at the 3 month Overnight Index Swap rate
Contract Months	March, June, September, December up to 12 months ahead
Commodity Code	OI
Minimum Price Movement	Quoted in yield percent per annum in multiples of 0.005%, for quotation purposes yield is deducted from 100. A one basis point move of 0.01% is equal to $24.66
Last Trading Day	Trading shall cease at 12.00pm on the Thursday following the first Friday of the expiry month
Settlement Day	The business day after the Last Trading Day
Trading Hours	5.08pm – 7.00am and 8.28am – 4.30pm[1] (For period from second Sunday in March to first Sunday in November) 5.08pm – 7.30am and 8.28am – 4.30pm[1] (For period from first Sunday in November to second Sunday in March)
Settlement Price	Cash Settlement Price is 100 minus the Cash Settlement Yield. The Cash Settlement Yield shall be rounded to the nearest 0.001%. The arithmetic mean of quotes, taken at 9.45am and 10.15am on the last day of trading by 10 dealers, randomly selected, at which they would receive / pay the 3 month Overnight Index Swap, excluding the two highest and two lowest paying quotations and the two highest and two lowest receiving quotations. The 3 month Overnight Index Swap rate date convention is equivalent to the bank bill futures date. All bought and sold contracts in existence as at the close of trading in the contract month shall be settled by the Clearing House at the cash settlement price.[1]

1 Trading hours: Australian Eastern Standard Time / Australian Eastern Daylight Time.

3 Month Overnight Index Swap Futures Data Vendor Access Codes*

	3 MONTH OVERNIGHT INDEX SWAP FUTURES
ASX Code	OI
Bloomberg	TSImy <CMDTY>
CGU	OI
IRESS Market Technology	OImy
Morningstar	OI
Reuters	Full: 0#YOI: Day: 0#2YOI: Night: 0#1YOI:
SIX Telekurs	OImy, 359

* Data vendor codes are current as at January 2012. A current list of codes is available at www.asx.com.au

ASX AUSTRALIAN SECURITIES EXCHANGE

Domestic Information Line: 131 279
interestrates@asx.com.au

International Information Line: +61 2 9338 0000
www.asx.com.au

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