



## Clearing Advisory Notice

DATE: July 20, 2021

TO: Clearing Member Firms

FROM: CME Clearing

ADVISORY #: 21-255

SUBJECT: **AIR Futures Update – New Contracts Launching July 26**

For your convenience, here's the latest on CME's Adjusted Interest Rate (AIR) Futures, all in one place.

**AIR Futures defined:** CME's Adjusted Interest Rate futures on total return indices, give you total return equity index exposure, enhanced with a floating rate. The economics are analogous to a total return swap, but with the margin and operational efficiencies associated with cleared futures. Typically trades are quoted in a form of BTIC trading, where the trade price is expressed as a differential over or under a benchmark interest rate. The actual cleared trade price that you get, then, is equal to the closing value of the index, less the accrued financing cost, plus an adjustment to reflect your traded spread.

### More futures on USD-denominated indices coming on July 26

We are launching AIR futures on four additional USD-denominated total return indices on Monday, July 26<sup>th</sup>, on the Russell 2000, Russell 1000, Nasdaq 100, and Dow Jones Industrial Average. These will join the two existing products, on the S&P 500 Total Return Index and the FTSE 100 Declared Dividend Index. Here's the [New Product Advisory](#) and the Special Executive Report.

**To obtain the accrued funding value and calculate what your cleared trade price will be given your traded spread and the index value:** The easiest way to do this: use the QuikStrike calculator available at [cmegroup.com/airtrf](http://cmegroup.com/airtrf).

### Accrued funding values now published at 9am

Beginning Monday July 12, the accrued funding values for the GBP-denominated AIR futures on the UK FTSE 100 Declared Dividend Total Return Index are now published a few minutes after 9:00am London time, immediately after the availability of that day's Sonia benchmark interest rate on which they depend. This is about half an hour earlier than their previous publication time.

Similarly, beginning this past Monday, the accrued funding values for the USD-denominated AIR futures on the S&P 500 Total Return Index are now published a few minutes after 9:00am New York time, immediately after the availability of that day's Fed Funds benchmark interest rate. This is likewise about half an hour earlier than their previous publication time.

### **Many ways to get those accrued funding values**

CME makes the AIR futures accrued funding values available in a variety of ways, and without charge.

As mentioned above, for quick lookups, you can use the QuikStrike calculator at [cme.com/airtrf](http://cme.com/airtrf).

For those who prefer to obtain them via CME's market data feeds, the accrued funding values can be read from the [Settlements and Valuation \("S&V"\) Channel](#) of CME's Data Insights group of channels, part of our [market data platform](#). Here's [details](#).

If you prefer a web-based API, you can use CME's [Reference Data API \(RDAPI\)](#). This is a query-and-response type API. RDAPI provides a wealth of reference data about CME's products. Here's [details](#).

Or you can use the AIR futures datafiles which can be obtained in any number of ways:

- On the web at [cme.com/ftp/settle/air](http://cme.com/ftp/settle/air)
- On CME's public FTP site at [ftp.cme.com/pub/settle/air](http://ftp.cme.com/pub/settle/air)
- On CME's private FTP site (the "Firm FTP Server") at [pub/settle/air](http://pub/settle/air)
- Via the E-REP report distribution system (report ID's begin with **AIR**)
- Via CME's [DataMine service](#)
- Via automated email – drop us a line at [ccs@cme.com](mailto:ccs@cme.com) if you wish to receive these

We wish to call your attention specially to the AIR datafiles which have been available on DataMine since June 21. CME's DataMine service is an extremely useful web-based tool with an immense wealth of data available. You can reach out to [CMEDataSales@cme.com](mailto:CMEDataSales@cme.com) for further information on DataMine.

### **The AIR datafiles explained**

These are simple CSV-format datafiles, published daily at four points in time now:

- The "a" files are available a few minutes after 9am London, typically a few minutes after 4am New York. These contain the final top-day values for accrued funding for the GBP-denominated contract on the FTSE 100 Declared Dividend Index (BTIC code **AFT**, clearing code **AFR**) and preliminary values for accrued funding for all USD-denominated contracts.
- The "e" files are available a few minutes after 9am New York. These contain the final top-day values for accrued funding for the USD-denominated contracts in addition to the final top-day values for the GBP contracts.

- The “b” files are available at approximately 11:50am New York. For the GBP-denominated contracts, these include the top-day settlement prices plus preliminary values for next-day’s accrued funding.
- The “s” files are available at approximately 5:45pm New York. These include top-day settlement prices for all contracts, plus preliminary values for next-day’s accrued funding, likewise for all contracts.

At each of these four times, we publish both a “top-day” and a “complete” version. The top-day files contain only top-day and next-day data, whereas the complete files contain the complete history of accrued financing data for all eligible contracts. The files provide all the data needed to understand the determination of the accrued funding values. Here’s the [file specification](#).

#### **For more information**

You can find everything relating to CME’s AIR futures at [cme.com/airtrf](http://cme.com/airtrf). There’s also a special page for the GBP-denominated contract on the FTSE 100 Declared Dividend Total Return Index, at [cme.com/ftse100airtrf](http://cme.com/ftse100airtrf).

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