

Rates Recap

APRIL 7, 2016

Improved Pace of the Roll Tool Available

CME Group's [Pace of the Roll](#) tool is widely used to view the daily status of open interest during a futures roll for benchmark products. Take advantage of our recently updated tool with expanded features including:

- Mobile-friendly (iPad, iPhone, etc.)
- Upper and lower quartiles (i.e. 25% and 75%)
- Click-and-view chart capability; click a point and see the value
- View history of spread price
- Support for Ultra 10

New Committed Cross Protocol

CME Group will introduce the Committed Cross as the new interest rate options crossing protocol on CME Globex on April 10, for the April 11 trade date. This new protocol will allow brokers who engage in pre-execution communications pursuant to Rule 539 to benefit from price improvement by a Better Price Match Guarantee.

On March 29, CME Group held a webinar discussing the C-Cross.

[Watch a recording.](#)

Ultra 10 Futures Reach 2.3M+ Contracts Traded

Ultra 10-Year U.S. Treasury Note futures (TN), which launched less than 3 months ago, continues to provide an efficient and liquid tool for accessing 10-Year Treasury exposure.

Product Highlights:

- **Volume:** Averaged 45,000 contracts per day in March
- **Open Interest:** Growing steadily and now at 106,000 contracts, a 25% increase from March 1
- **User Base:** More than 200 global participants have traded TN
- **Large Open Interest Holders:** Ultra 10 is included in the CFTC Commitment of Trader's report, indicating that more than 20 different clients have reported positions of at least 2,000 contracts

[Learn more about Ultra 10-Year futures and options.](#)

DSFs: An Efficient Alternative to Swap Spread Strategies

Deliverable Swap Futures offer interest rate swap exposure with the built-in capital efficiency of a futures product. DSFs make up 79% of the USD swap futures market volume, and 88% of the total on-the-run USD swap futures open interest, providing customers with:

- **Cost savings:** Automatic margin offsets against Treasury and Eurodollar futures, providing up to 90% margin efficiencies
- **Off-balance-sheet swap spread trading:** DSF vs. corresponding tenor Treasury futures spreads provide similar exposure as IRS vs. cash Treasury based swap spreads. These intercommodity spreads are available for trading on CME Globex:
 - 5-Year DSF vs. 5-Year U.S. Treasury Note futures
 - 7-Year DSF vs. 10-Year U.S. Treasury Note futures
 - 10-Year DSF vs. Ultra 10-Year U.S. Treasury Note futures
 - 20-Year DSF vs. Classic 30-Year U.S. Treasury Bond futures
 - 30-Year DSF vs. Ultra 30-Year U.S. Treasury Bond futures

[Learn more about the most used swap futures product.](#)

Cleared Swaptions Provide Unparalleled Capital Efficiencies

On April 11, CME Group will launch interest rate swaptions clearing. The initial product scope will include USD denominated interest rate swaptions with European-style exercise, a maximum 2-year option expiry and a maximum underlying swap tenor of 30 years.

- **Voluntary clearing** allows market participants the flexibility to reduce the risk of their cleared IRS portfolios
- **Margin offsets** of up to 91% possible with cleared IRS when included in swap portfolios
- **Portfolio margining** with our cleared IRS and Eurodollar, Treasury, and Deliverable Swap Futures
- **Reduces bilateral counterparty credit risk** and frees up credit lines

[Discover OTC IRS Swaptions.](#)



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