Three Month SONIA Index Futures

Contract Specifications

Description	Three Month SONIA Index Futures Contract *is a cash settled future based on the interest rate on a three month sterling deposit.
Contract Symbol	SO3
Unit of Trading	£2,500 * Rate Index
Minimum Price Fluctuation	Front delivery month from the first business day in the calendar month preceding the Last Trade Day: 0.0025 (£6.25) Front delivery month prior to the aforementioned period and all other delivery months: 0.005 (£12.50)
Delivery Month	March, June, September, December, such that 25 delivery months are available for trading. Contract Delivery Months are named by the start date of the accrual period.
Quotation	100.00 minus the numerical value of rate of interest
Last Trading Day	One business day prior to the third Wednesday of the next quarterly Delivery Month trading will cease at 18:00 (London Local Time)
Algorithm	Central order book applies a gradual time based pro-rata (GTBPR) matching algorithm with a time-weighting of 2 and with priority given to the first order at the best price subject to a minimum order size (collar) and limited to a maximum order size (cap).
Wholesale Trade Types	Block Trading, Basis Trading, Asset Allocation Minimum Volume Thresholds can be found here

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Exchange Delivery Settlement Price	EDSP Publication is the next business day after the Last Trading Day 100 minus the EDSP Rate, determined as described below. Based on SONIA (Sterling Over Night Index Average) as calculated by the Benchmark Administrator each business day, the EDSP Rate represents the effective rate of interest achieved by reinvesting at SONIA for each day of the accrual period of the contract. The following formula shall be applied: Click here for formula where: S_i = SONIA rate on the i^th day of the accrual period d_i= the number of days that the value S_i is applied x = the number of SONIA fixings used in the accrual period N = the total number of days for which the x fixings are applied, i.e. the number of calendar days in the accrual period Where the EDSP Rate is not an exact multiple of 0.0001, it will be rounded to the nearest 0.0001. Where the EDSP Rate is an exact midpoint (i.e. an exact uneven multiple of 0.00005), it will be rounded to the nearest higher 0.0001.
Interest Rate Basis	Act/365 Fixed
First Accrual Date	Third Wednesday of the Delivery Month
Last Accrual Date	The calendar day prior to the third Wednesday of the next quarterly Delivery Month
Wholesale Service	Basis trading, Block Trading, Asset Allocation
Clearing	ICE Clear Europe
Contract Standard	Cash settlement based on the Exchange Delivery Settlement Price.
Statement in relation to EDSP Formation	The contracts have a standardised basis point value so that, for hedging purposes, a calculation will need to be made in relation to the hedge ratio to take into account any mismatch between the standardized basis point value and the actual basis point value of the position being hedged, determined by the actual number of days in the accrual period.

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