



ICNL Three Month ESTR Indexed Futures

Contract Specifications

Description	ICNL Three Month ESTR Indexed Futures Contract is a cash settled future based on the interest rate on a three-month Euro deposit.
Contract Symbol	ES3
Unit of Trading	€2,500 * Rate Index
Minimum Price Fluctuation	All delivery months: 0.00250(€6.25)
Delivery Month	<p>25 Quarters (March, June, September, December) plus 6 serial months are available for trading.</p> <p>Contract Delivery Months are named by the start date of the accrual period (with the front three delivery months in their EDSP accrual calculation period).</p>
Quotation	100.00 minus the numerical value of the rate of interest
Last Trading Day	One business day prior to the third Wednesday of the third calendar month after the start of the accrual period trading will cease at 16:30 (London Local Time)
Delivery Date	First business day after the Last Trading Date

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Publication: Next business day after the Last Trading Day

100 minus the EDSP Rate, determined as described below. Based on ESTR (Euro short-term rate) as calculated by the Benchmark Administrator each business day, the EDSP Rate represents the effective rate of interest achieved by reinvesting at ESTR for each day of the accrual period of the contract. The following formula shall be applied:

[Click here for EDSP Rate Formula](#)

where:

x = the number of ESTR rates determined in the Accrual Period.

N = the total number of calendar days in the Accrual Period; and

Ai = the overnight return factor in respect of the ith ESTR rate of the Accrual Period, determined as

Exchange Delivery Settlement Price

[Click here for EDSP Ai Formula](#)

where:

and rounded to eight decimal places, where:

Ei = the ith ESTR rate of the Accrual Period, expressed in such a way that for a rate of 1% per annum, Ei = 0.01000.

di = the number of days that Ei is applied, such that di represents the number of calendar days between the day in respect of which the rate Ei is determined and the next day on which a ESTR rate is published.

Where the EDSP Rate is not an exact multiple of 0.00001, it will be rounded to the nearest 0.00001 or, where the EDSP Rate is an exact uneven multiple of 0.000005, to the nearest lower 0.00001.

For calendar days on which the ESTR rate is not computed (e.g., Saturdays, Sundays and bank holidays) the rate shall be the rate determined on the most recent business day for which a rate was determined.

Interest Rate Basis	Act/360 Fixed
First Accrual Date	Third Wednesday of the Delivery Month
Last Accrual Date	Business day prior to the Third Wednesday of the third calendar month after the start of the First Accrual Day
Wholesale Trade Types	Basis trading, Block Trading, Asset Allocation
Contract Standard	Cash settlement based on the Exchange Delivery Settlement Price.

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Disclaimer

The contracts have a standardized 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.
