



Date: 27th November 2023

Consultation regarding the ICAP Benchmark Family.

Introduction

The purpose of the consultation is to ensure that the ICAP Benchmark Family are consistent with the index objectives and reflect the dynamic nature of the markets. Parameta Solutions is committed to transparency when developing or reviewing benchmark methodologies or considering material changes to its benchmarks.

The feedback received from the consultation will assist Parameta Solutions in their consideration of potential future enhancements to the Benchmarks.

The consultation will close on 27th December 2023 ("Consultation Close") and the results will be published within two weeks of the Consultation Close.

Any methodology changes resulting from the consultation will be communicated in advance. Potential changes to methodologies may be implemented over an extended period of time to ensure an orderly transition.

Responding to the Consultation

The information set out in this consultation document are included in order to gather feedback and may or may not result in changes to our indexes or data solutions.

Please email your response to the questions included in this consultation to benchmarkqueries@parametasolutions.com. All responses will be treated as confidential.

Parameta Solutions may publish a summary of the consultation results, but no individual responses will be published, and no respondents will be named.

Consultation Background

Parameta Solutions seeks to ensure that its benchmarks evolve as markets and industry conditions change, however the methodologies cannot capture every circumstance. As a consequence, Parameta Solutions wishes to consult on the following aspect of the methodologies for the ICAP Benchmark Family.

Market size changes across all EUR EURIBOR Basis Swap - 3m v 6m EURIBOR & EUR EURIBOR Basis Swap - 1m v 3m EURIBOR benchmarks.

Parameta Solutions will (subject to any feedback reflecting the contrary), amend market sizes as set out in the appendix [effective 02 January 2023](#). These changes are made to align the market size with the sizes seen in the market to ensure the economic reality is reflected appropriately in the ICAP Benchmarks.

Appendix:

[ICAP Benchmark Family Methodology v1.6](#)



ANNOUNCEMENT

Current tables

BASIS BUTTERFLY AMOUNTS FOR ALL BASIS STRUCTURES FOR MID REFLECTION PLUS A MARGIN

All flies between, and inclusive, 1yr to 5yr	= 500m body (e.g. 2x3x4 & 2x3x5)
All 1yr gap flies where short leg is 5yr or longer	= 500m body (e.g. 5x6x7, 11x12x13 & 20x21x22)
Any other fly	= 250m body

TABLE 1D – OUTRIGHT BASIS NOTIONAL AMOUNTS FOR 3X1 BASIS AND CCP BASIS (EUREX V LCH AND CME V LCH)

	No impact on mid	Mid reflection plus a margin	Block
1y	0 to <250	400+	1500
2y	0 to <100	250+	750
3y	0 to <100	200+	600
4y	0 to <100	150+	400
5y	0 to <100	150+	400
6y	0 to <100	150+	400
7y	0 to <100	150+	400
8y	0 to <75	100+	250
9y	0 to <75	100+	250
10y	0 to <75	100+	250
11y	0 to <75	100+	250
12y	0 to <75	100+	250
15y	0 to <50	100+	200
20y	0 to <25	50+	200
25y	0 to <25	50+	200
30y	0 to <25	50+	200
35y	0 to <25	50+	100
40y	0 to <25	50+	100
45y	0 to <25	50+	100
50y	0 to <25	50+	100
60y	0 to <25	50+	100

New tables

Basis Butterfly amounts for all Basis structures for mid reflection plus a margin

All flies between, and inclusive, 1yr to 5yr	= <u>1,000m</u> 500m body (e.g. 2x3x4 & 2x3x5)
All 1yr gap flies where short leg is 5yr or longer	= <u>1,000m</u> 500m body (e.g. 5x6x7, 11x12x13 & 20x21x22)
Any other fly	= 250m body

**Amounts for Eonia v Euribor, 3x1, 6x1, 3x12 & 6x12 Basis and CCP Basis (Eurex v LCH and CME v LCH)**

	No impact on mid	Mid reflection plus a margin	Block
1y	0 to <250	500400+	1500
2y	0 to <150100	250+	750
3y	0 to <100	250200+	600
4y	0 to <100	250150+	600400
5y	0 to <100	200150+	500400
6y	0 to <100	200150+	500400
7y	0 to <100	200150+	500400
8y	0 to <10075	200100+	400250
9y	0 to <10075	150100+	400250
10y	0 to <10075	150100+	350250
11y	0 to <75	100+	350250
12y	0 to <75	100+	350250
15y	0 to <7550	100+	250200
20y	0 to <4025	7550+	200
25y	0 to <3025	50+	200
30y	0 to <25	50+	200
35y	0 to <25	50+	100
40y	0 to <25	50+	100
45y	0 to <25	50+	100
50y	0 to <25	50+	100
60y	0 to <25	50+	100

Consultation Questions

1. Do you believe the changes detailed in the appendix would have a negative impact on you, your firm or the industry?

Yes

No

Comments:

2. If your answer to the above is "Yes", what in your opinion should the respective market sizes be?

Comments:

2023 ICAP Information Services Limited. All rights reserved. Parameta Solutions is a registered trademark of ICAP Information Services Limited. This document and all the information contained in it, including without limitation all text, data, graphs, charges (collectively, the "Information") is the property of ICAP Information Services Limited or its subsidiaries or affiliated companies (collectively "Parameta"), or its licensors or information providers. The Information may not be stored in any database or retrieval system, reproduced, modified, reverse-engineered or disseminated in any form or by any means or, without prior written permission from Parameta. The Information is provided solely for information purposes only and should not be relied on for any purpose. To the fullest extent permitted by law, neither Parameta or nor their respective directors, officers, employees, partners, licensors or information providers will be liable for any errors or for any loss from use of, or inability to use, the Information. It is not possible to invest directly in an index. Parameta does not make any recommendation to buy, sell or hold any security, financial product or other investment vehicle or trading strategy ("Investment Product") that is based on, linked to, or provides an investment return related to the performance of, an index (an "Index-linked Investment"). Parameta does not issue, sponsor, endorse, market, offer or express any advice or opinion in relation to any Investment Product. Parameta makes no assurance that an Index-linked Investment will accurately track any index or provide positive investment returns. Index returns do not represent the results of actual trading of any Investment Product. Parameta does not provide investment advice. Any decision to invest in any Index-linked Investment should not be made in reliance on the Information; prospective investors are strongly advised to take specific tax, legal and financial advice. The Information is provided on a "as is" basis. To the fullest extent permitted by law, neither Parameta, nor their respective directors, officers, employees, partners, licensors or information providers make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of any index or the fitness or suitability of any index for any particular purpose for which it might be used.