



## CME Group Launches FTSE 100 Adjusted Interest Rate Total Return Futures

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LONDON, June 7, 2021 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today launched FTSE 100 Adjusted Interest Rate (AIR) Total Return futures.

"Building on the success of our expanding suite of Total Return contracts, our new FTSE 100 AIR Total Return futures are an ideal addition that will provide a capital-efficient, exchange-traded alternative to total return swaps," said Tim McCourt, Global Head of Equity Index and Alternative Investment Products, CME Group. "Going forward, this new risk management instrument will support clients in hedging Euro equity benchmark exposure."

"We are pleased to be working with CME Group on providing a unique alternative to uncleared OTC total return swaps which provide benefits for participants on both the buy and sell-side," said Arne Staal, Chief Executive Officer, FTSE Russell. "This contract will enable market participants to trade our leading benchmark instruments while managing capital and repo risk more efficiently."

FTSE 100 AIR Total Return futures have similar characteristics to total return swaps and are designed to provide market participants with exposure to the implied equity repo rate of a European equity benchmark with an overnight floating rate, using SONIA as the financing reference rate. Similar to OTC total return swaps, these new contracts are quoted in basis points and use Basis Trade at Index Close (BTIC) transactions. They also provide clients the additional benefits of a listed derivatives marketplace.

This new product provides clients with margin efficiency and curtailed dividend risk and serve both long and short-term portfolio requirements for a variety of different firms. For asset managers and pension funds set to be pulled into the phase 5 and 6 of the uncleared margin rules (UMR), the total return futures enable trading further down the curve and offer capital-efficient total return equity index swap. At the same time, banks and hedge funds can utilize the instrument in the short-term to isolate their implied repo financing costs.

FTSE 100 AIR Total Return futures are listed on and subject to the rules of CME Group.

For contract specifications or more information, please visit: [cmegroup.com/ftse100airtrf](https://cmegroup.com/ftse100airtrf)

As the world's leading and most diverse derivatives marketplace, CME Group ([www.cmegroup.com](https://www.cmegroup.com)) enables clients to trade futures, options, cash and OTC markets, optimize portfolios, and analyze data – empowering market participants worldwide to efficiently manage risk and capture opportunities. CME Group exchanges offer the widest range of global benchmark products across all major asset classes based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). The company offers futures and options on futures trading through the [CME Globex](#)® platform, fixed income trading via BrokerTec and foreign exchange trading on the EBS platform. In addition, it operates one of the world's leading central counterparty clearing providers, CME Clearing. With a range of pre- and post-trade products and services underpinning the entire lifecycle of a trade, CME Group also offers optimization and reconciliation services through TriOptima, and trade processing services through Traiana.

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