

Structure Curve Spreads Using Eris Swap Futures

Execute DV01 Neutral Spreads in Rate Terms



Eris Swap Futures can be used for expressing curve trades such as steepeners, flatteners, and butterflies.

Eris curve trades are easy to model and execute. They also benefit from anonymous trading, margin offsets, lower clearing costs, and operational efficiencies of listed futures vs OTC IRS.

Pricing Spread Trades Using The Live Eris Swap Curve

The Live Eris Swap Curve allows traders to pull in streaming outright prices in multiple formats along with DV01s and margin data.

Descriptive Info			NPV Prices			Par Rates			Risk & Margin Info		
As of: 1/19/18											
BBG code	Short Name		Bid	Mid	Ask	Bid %	Mid %	Ask %	PV01	DV01	Mnt Marg
LITH8	2Y P Stnd Mar 2018-2020		1,124	1,128	1,132	2.326	2.328	2.330	19.52	(22.64)	400
LICH8	3Y P Stnd Mar 2018-2021		1,950	1,957	1,964	2.425	2.427	2.430	28.90	(31.14)	400
LIDH8	4Y P Stnd Mar 2018-2022		1,865	1,873	1,880	2.490	2.492	2.494	38.07	(40.55)	550
LIWH8	5Y P Stnd Mar 2018-2023		2,540	2,543	2,545	2.540	2.541	2.541	47.04	(49.29)	700
LIBH8	7Y P Stnd Mar 2018-2025		3,960	3,975	3,990	2.616	2.618	2.620	64.34	(66.03)	1,250
LIYH8	10Y P Stnd Mar 2018-2028		4,070	4,090	4,110	2.709	2.711	2.713	88.72	(90.16)	1,350
LIEH8	30Y P Stnd Mar 2018-2048		6,700	6,760	6,820	2.817	2.819	2.822	211.70	(207.99)	3,600

Live Eris feeds can be used to build and monitor risk neutral curve spreads in NPV or basis point terms.

<http://www.erisfutures.com/curve>

Trade Size Calculator (Contracts)	
DV01	10,000
2Y	(442)
3Y	(321)
4Y	(247)
5Y	(203)
7Y	(151)
10Y	(111)
30Y	(48)

Eris Curve (bps)	2Y	3Y	4Y	5Y	7Y	10Y	30Y
2Y		10.12	16.74	21.60	29.68	39.20	50.21
3Y			6.62	11.48	19.56	29.08	40.09
4Y				4.86	12.94	22.46	33.47
5Y					8.08	17.60	28.61
7Y						9.52	20.53
10Y							11.01

Curve Chg (bps)	2Y	3Y	4Y	5Y	7Y	10Y	30Y
2Y		1.09	1.71	2.30	3.34	4.35	5.19
3Y			0.62	1.20	2.25	3.26	4.10
4Y				0.58	1.63	2.64	3.47
5Y					1.05	2.05	2.89
7Y						1.01	1.85
10Y							0.84

Source: Eris Exchange

www.erisfutures.com

Contact Eris to get started:

Call (888) 587-2699 option 2

for sales support or email sales@erisfutures.com

View All Contract Details:

erisfutures.com/lookup

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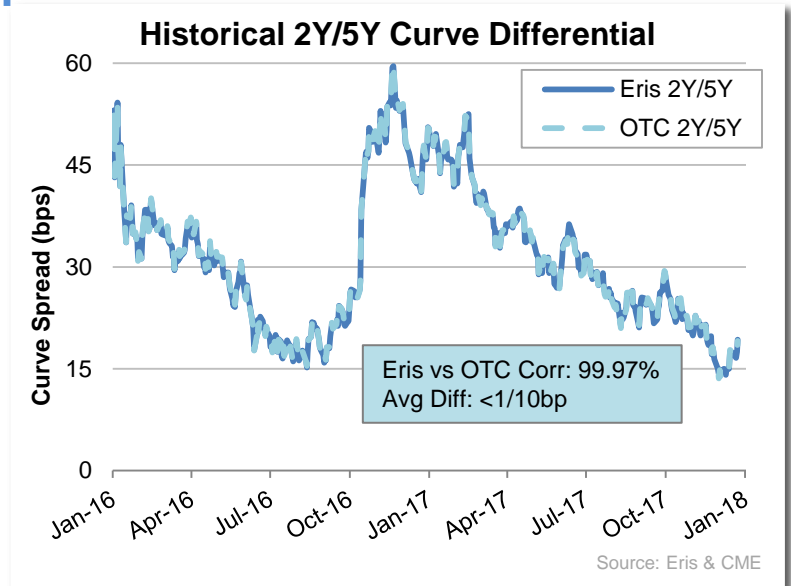
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How to Trade Eris Curve Spreads

- Voice: trade blocks via broker or directly with liquidity providers, combined notional >\$10mm
- Electronic: trade in risk terms using algos or spreader tools on ISVs like Trading Technologies

Example: Eris 2Y / 5Y Curve Steepener

- Customer expects the 2Y / 5Y portion of the swap curve to steepen
- Customer sells (rec fixed) Eris 2Y and buys (pay fixed) a DV01 equivalent amount of Eris 5Y
- The margins of the long & short positions would offset within CME Clearing
- To close out the curve spread, customer would buy Eris 2Y and sell Eris 5Y



Eris 2Y / 5Y Curve Steepener in \$2,000 of DV01 Risk¹

	Security	Direction	Contracts	Notional	DV01	Par Rate/Spread	Margin
Leg 1	2Y Eris Stnd (Mar 2018)	Sell	88	\$8.8mm	\$2k	2.331%	\$35k
Leg 2	5Y Eris Stnd (Mar 2018)	Buy	41	\$4.1mm	-\$2k	2.544%	\$29k
	Portfolio		129	\$12.9mm	\$0	21.3bps	\$19k

¹ Steepening of the curve by 1 bp would gross \$2,000 in profit. The investor would not be exposed to the level of rates, just the change in slope of the curve.

All examples in this document are hypothetical situations, used for explanation purposes only, and should not be considered as investment advice, legal advice, or tax advice. Nothing in this document should be taken as a public offer to sell or to buy any applicable financial instruments or securities.

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