

# Trading Off-The-Run Eris Standards

## Lower Margins and Yield Curve Granularity

### Off-The-Run Eris Standards

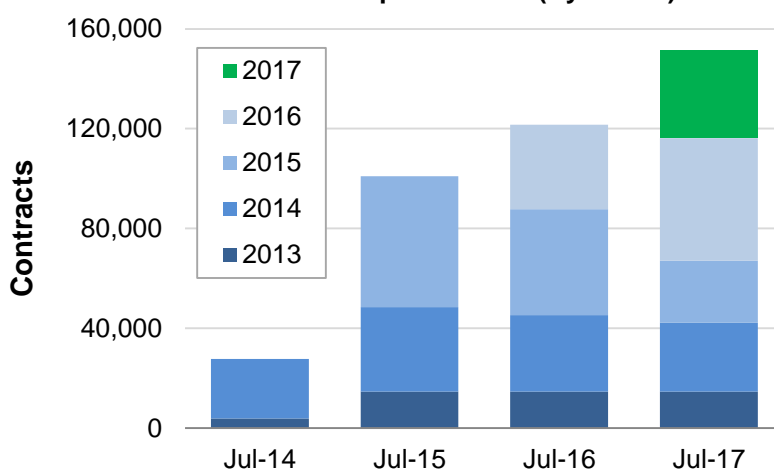
Eris Standards which have passed the Effective Date are referred to as Off-The-Run and are available for trading until the Maturity Date.

Off-The-Run Eris Standards are margined at 2-day VaR until maturity, and margins will decline as the remaining tenor shortens over time.

### Eris Standard Open Interest

Tenor Range	Open Interest
0 to 2Y	44,027
2+ to 5Y	51,602
5+ to 8Y	42,670
8+ to 11Y	40,120
11 to 30Y	796
>30Y	298
<b>TOTAL</b>	<b>179,513</b>

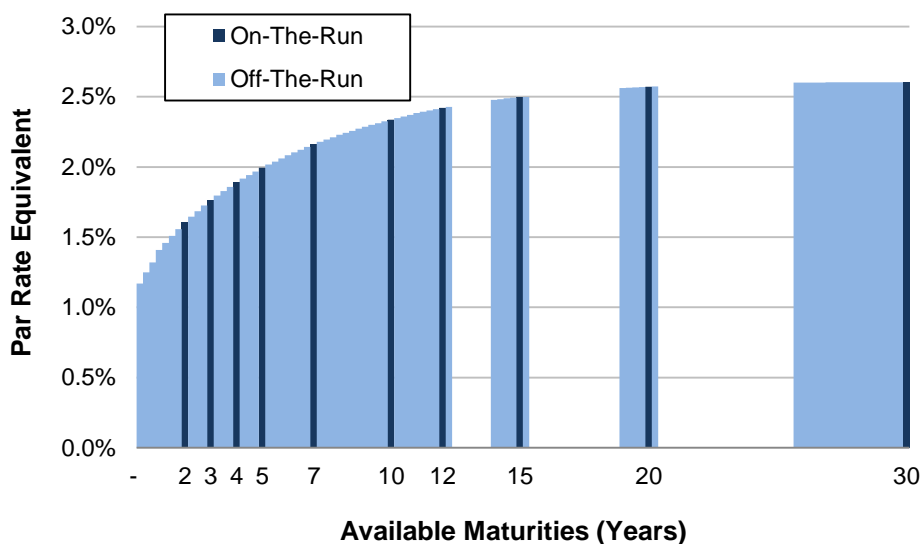
Eris Stnd Open Interest (By Series)



### Access to Hundreds of Points on the Curve

Given substantial cost savings and the applicability of hedge accounting to Eris, traditional end user activity in Off-The-Run Standards has increased.

- Banks: Back-loading OTC swaps
- Asset Mangers: Compression trades
- Mortgage Hedgers: Matching specific underlying maturity profiles



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Contact Eris to get started:

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View All Contract Details:

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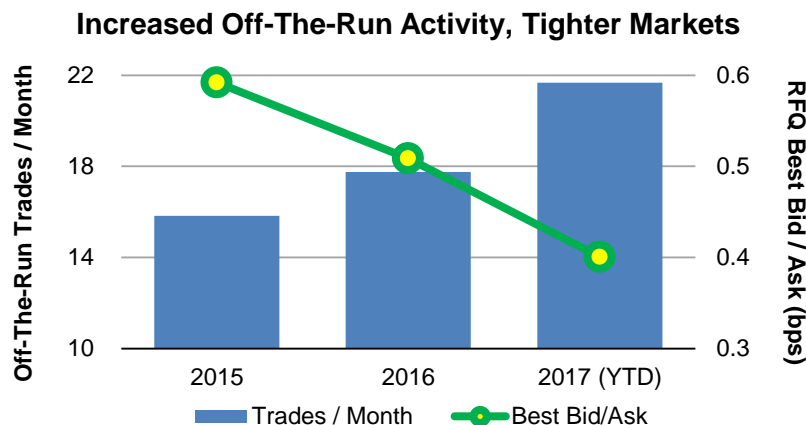
## Lower Margins and Yield Curve Granularity

### Off-The-Run Liquidity

Off-The-Run Standards are either traded electronically as an RFQ (typically via agency broker) or as a block voice trade.

- 338 Off-The-Run trades in 2016 & 2017
- 90% traded anonymously in the order book
- Total notional ~ \$3.9bn
- 80% of RFQs resulted in a trade in 2017, up from 69% in 2016
- Average RFQ Bid / Ask: ~0.2bp from mid in 2017, tightening from ~0.25bp in 2016

Source: Eris Exchange order book



Off-The-Run Stnd (2016 & 2017)	# Trades	# Contracts	Avg Size	Max
Electronic RFQ	305	14,990	49	500
Block (Voice)	33	24,325	737	14,000
	338	39,315	116	14,000

### Case Studies: Rolling Large Positions After the Effective Date

Eris end users have found sufficient liquidity to exit or roll large positions months after the quarterly streaming roll period.

#### August 2016 – 10Y Roll

- \$1.4bn Dec '15 rolled to Sept '16

#### March 2017 – 10Y Roll

- \$350mm Dec '16 rolled to Jun '17

Both trades executed as blocks, at spread levels <1/10bp of implied order book or end of day mids

8/9/16 - Eris 10Y	Old Contract	New Contract	Spread
Effective Date	Dec 2015	Sep 2016	
Notional	\$1,400mm	\$1,315mm	
Traded NPV	(7,250)	(9,740)	(2,490)
NPV as of 3PM Close	(7,456)	(9,940)	(2,484)
Traded Spread vs. Close (in \$ NPV)			6
Traded Spread vs. Close (in bps)			0.06bps

3/14/17 - Eris 10Y	Old Contract	New Contract	Spread
Effective Date	Dec 2016	Jun 2017	
Notional	\$350mm	\$350mm	
Traded NPV	7,230	10,330	3,100
Order Book NPV Mids	7,100	10,200	3,100
Traded Spread vs. Order Book (in \$ NPV)			-
Traded Spread vs. Order Book (in bps)			0bps

Source: Eris Exchange order book. There were no RFQs in the Dec 2015 10Y at the time of the trade, so end of day settlement price was used as reference.

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