


# Par Rate Equivalents for Eris Standards

## Calculating and viewing par rates for NPV quoted Eris Standards

The par rate equivalent represents the fixed rate at which an end user would trade an analogous contract at \$0 NPV. Par rate equivalents will ease the transition from bespoke OTC contracts to more standardized futures.

- Eris Standards have pre-determined fixed rates and are quoted in NPV terms
- NPV quotes can be converted to par rate equivalents using the underlying ‘PV01’ (Present value of a 1bp change in the fixed rate)
- A long position in an Eris contract represents the fixed rate payer
- Positive NPV implies that the par rate equivalent is above, and a Negative NPV implies that the par rate equivalent is below the contract’s pre-determined fixed rate
- PV01 settings should be monitored throughout the day to remove risk of becoming ‘stale’
- Par rates can be viewed on [www.erisfutures.com](http://www.erisfutures.com), the TT X\_TRADER® platform and through the Eris Bloomberg spreadsheet (available upon request)

### Par Rate Equivalents on [www.erisfutures.com](http://www.erisfutures.com)



Contract	TotalBidQty	BidQty	ParRate EqvInt	BidPrc	AskPrc	ParRate EqvInt
<b>Eris Standards (2-day Margin, Quoted in NPV)</b>						
2Y Stnd Jun14 0.750%	6500	2500	0.617	-266	-262	0.619
5Y Stnd Jun14 2.000%	3500	1000	1.808	-935	-920	1.811
7Y Stnd Jun14 2.750%	3100	1100	2.367	-2540	-2510	2.372
10Y Stnd Jun14 3.250%	2250	500	2.883	-3320	-3290	2.886
30Y Stnd Jun14 4.000%	600	50	3.617	-7440	-7380	3.620

↑ Par Rate Equivalents ↑

[www.erisfutures.com](http://www.erisfutures.com)

Contact Eris to get started:

Call (888) 587-2699 option 2

for sales support or email [sales@erisfutures.com](mailto:sales@erisfutures.com)

View All Contract Details:

[erisfutures.com/lookup](http://erisfutures.com/lookup)

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## Par Rate Equivalent Illustrated

**Example:** 10Y Stnd, Fixed Rate of 2.500%, Bid at -2,500 and PV01 of 67.04

Par Rate Equivalent = NPV / PV01 / 10,000 + Contract Fixed Rate

Par Rate Equivalent = -2,500 / 67.04 / 10,000 + 2.500% = 2.127%

Live quotes and par rate equivalents may be viewed on the Eris Bloomberg spreadsheet

	Fixed Rate %	Best Bid NPV per contract	Best Bid par rate	Best Ask par rate	Best Ask (NPV) NPV per contract
2Y Stnd	0.750%	-548	0.475%	0.477%	-544
5Y Stnd	2.000%	-2,400	1.510%	1.513%	-2,015
7Y Stnd	2.500%	-2,500	2.127%	2.131%	-1,890
10Y Stnd	3.000%	1,000	3.109%	3.114%	-1,670
30Y Stnd	3.750%	2,000	3.852%	3.855%	-1,200

## Bloomberg

The screenshot shows a Bloomberg SWPM screen with the following details:

- Leg 1:** Pay Fixed, Notional 100M, Currency USD, Coupon 2.500000%, Effective 12/18/2013, Maturity 12/18/2020, Pay Freq SemiAnnual.
- Leg 2:** Receive Float, Notional 100M, Currency USD, Effective 12/18/2013, Maturity 12/18/2020, Pay Freq Quarterly.
- Market:** CSA Yes, Coll Ccy USD, OIS DC Stripping ON, Dscnt Curve 42 Mid, Fwd Curve 23 Mid.
- Valuation:** Curve Date 10/29/2013, Valuation 10/31/2013.
- Summary:** Par Cpn 2.122842, Principal -2,528.63, Accrued 0.00, Market Value -2,528.63. PV01 67.04, DV01 -70.72, Gamma (1bp) -0.05.

PV01 per contract can be sourced from the Bloomberg SWPM screen

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