

# Three-month Euroyen Futures



**TFX** TOKYO  
FINANCIAL  
EXCHANGE

# Three-month Euroyen Futures on the TFX

## ● Three-month Euroyen Futures

- A Three-month Euroyen futures contract is an agreement to buy or sell a specific volume of the predetermined rate of Euroyen three-month deposit commencing on a specific future date. Euroyen futures are effective tools to reduce risk of interest rate fluctuation by fixing the future interest rate beforehand.

## ● Advantages of Three-month Euroyen Futures on the TFX

- Three-month Euroyen futures are standardized, exchange-listed products which have high liquidity, and whose prices are determined and made public in a fair, transparent and efficient manner. These characteristics enable investors to develop, liquidate and redevelop the position flexibly until the last trading day.
- As a clearinghouse, TFX acts as a counter party to each contract and undertakes clearing of all trades at the TFX market. Because of this attribute, market participants do not need to consider creditworthiness of the counter party.
- For customer protection, it is required that each TFX member segregate its customer's margin from the member's own, and deposit the margin with TFX.
- TFX has adopted **LIFFE CONNECT™**, a cutting-edge trading system, whose sophisticated functionalities provide abundant trading opportunities through various order methods and strategy trades. Under applicable conditions, block trading is available as a cross trade or as a bilateral trade between two members, not on an auction basis.
- **Give-ups** are applicable to the contracts listed on LIFFE CONNECT™, and will facilitate order executions and clearing. TFX uses SPAN® method to calculate margin requirements.

\*SPAN® used herein is a registered trademark of CME(Chicago Mercantile Exchange Inc.) and used herein under the license. CME assumes no liability in connection with the use of SPAN® by any person or entity.

## ● Contract Specifications of Three-month Euroyen Futures

|  | Three-month Euroyen Futures  |                                      |
|--|--|--------------------------------------|
| Underlying asset   | Three-month Euroyen TIBOR*1  |                                      |
| Trading unit   | ¥ 100,000,000 (Notional principal amount)  |                                      |
| Price quotation  | 100 minus rate of interest   |                                      |
| Tick size&Value  | 0.005 (0.005%) ¥ 1,250   |                                      |
| Contract month   | 20 quarterly months and 2 serial months*2  |                                      |
| Last trading day   | Two business days prior to the third Wednesday of the contract month                                       |                                      |
| Final settlement day   | The first business day after the last trading day  |                                      |
| Final settlement   | Cash settlement  |                                      |
| First trading day of new contract month                      | The first business day after the last trading day  |                                      |
| Final settlement price                                       | 100 minus the Three-month TIBOR rate on the last trading day, rounded to the 3 <sup>rd</sup> decimal place |                                      |
| Trading hours ( JST )  | 8:30 ~ 8:45  | Pre-open period                      |
|  | 8:45 ~ 11:30   | Day session                          |
|  | 11:30 ~ 12:30  | Restricted period                    |
|  | 12:30 ~ 15:30  | Day session                          |
|  | 15:30 ~ 20:00  | Evening session                      |
| Trading hours for the contract on its last trading day (JST) | 8:30 ~ 8:45  | Pre-open period                      |
|  | 8:45 ~ 11:00   | Day session                          |
| Information vendor code                                      | Bloomberg  | : YEA (Cmnty) CT (Go)                |
|  | CQG  | : JEY                                |
|  | JJI PRESS  | : QW01-06 QG01 QG03                  |
|  | QUICK  | : TIF@                               |
|  | QUICK Money LineTelerate   | : 9945-6 (Page) , JP@EY (Symbol)     |
|  | REUTERS  | : 0#JEY : 0#BJEY : (for block trade) |
|  | Telekurs   | : EYym                               |
|  | THOMSON Corporation/ILX  | : EY/yym-TI                          |

\*1 : TIBOR (Tokyo InterBank Offered Rate) is determined by the Japanese Bankers Association (JBA) at 11:00 a.m. Tokyo time.

\*2 : Serial months are the months other than March, June, September and December.

## ● Strategy Trade applicable to Three-month Euroyen Futures on LIFFE CONNECT™

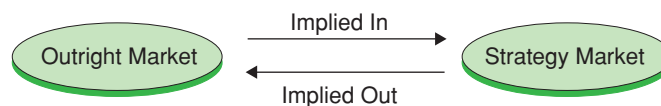
One of the great features of LIFFE CONNECT™ is employing varieties of strategy trade. A strategy trade is a combination of multiple orders that are treated as a single transaction. By utilizing the functionality of strategy trade instead of placing individual orders one by one, investors will not only save much time and effort in ordering but also avoid legging risk, the risk of only part of orders among an intended strategy being executed while leaving other parts unexecuted.

### 【Examples of Strategy Trade for Three-month Euroyen Futures】\*

\*Available strategies are dependent on the brokers with whom the order is placed.

| Types            | Outline  |
|------------------|--|
| Calendar Spread☆ | Simultaneously buying (selling) a contract of a near month and selling (buying) the same volume of a contract of a back month of Three-month Euroyen futures, on the basis of a fluctuation of the price difference between two different contract months.   |
| Butterfly☆       | Simultaneously buying (selling) a contract of a nearest month (the first contract), selling (buying) a contract of a second nearest month (the second contract) in the volume twice the volume of the first contract, and buying (selling) a contract of a back month (the third contract) in the same volume as the first contract, on the basis of a fluctuation of the price differences among three different contract months. |
| Strip            | Simultaneously selling (buying) contracts of four or more consecutive quarterly months. The benefit is simultaneous trading of the contracts covering more than a yearlong period. Pack or Bundle, which follows is a typical style of Strip.  |
| Pack             | Simultaneously selling (buying) contracts of four consecutive quarterly months in the same volume. The nearest contract month needs to be the 1st, 5th, 9th, 13th or 17th quarterly contract month.  |
| Bundle           | Simultaneously buying (selling) eight, twelve, sixteen or twenty consecutive quarterly contract months, where the nearest contract month is the first quarterly contract month. The benefit is trading of the contracts covering a period of 2 to 5 years.   |

☆ : Strategies, to which "Implied In/Out" function is applicable. Implied In/Out links outright orders and some types of strategy orders, both of which mutually utilize the liquidity and thus enhance the possibility of matching.



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Interest rate futures, etc. financial futures transactions that involve an amount larger than the amount of margins that a customer is required to deposit for the transactions may cause a loss larger than the amount of margins, due to factors such as the fluctuation of interest rates. In commencing interest rate futures, etc. financial futures transactions, you should read a guide to financial futures transactions thoroughly and understand what is explained in it.



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