

## **Trad-X strengthens interest rate swaps market presence with Eurex Clearing partnership**

- Trad-X launches central limit order book and auction market for EurexOTC cleared interest rate swaps (IRS)
- New CCP switch service established between Eurex Clearing and LCH.Clearnet
- Trad-X to display new public reference page for EurexOTC cleared swap mid-markets

**22 February 2016:** Trad-X, the market-leading platform for the trading of global interest rate derivatives, has announced a series of initiatives to boost liquidity and strengthen its presence in the global interest rate swap (IRS) market.

Trad-X will launch a new central limit order book (CLOB) for EurexOTC cleared products today (22 February) to coincide with the EMIR Frontloading date. The CLOB will have an initial focus on the most liquid Euro interest rate swap tenors such as 2y, 5y, 10y and 30y swaps, associated spreads and flies, and BUND, BOBL and SCHATZ asset swaps.

Trad-X will also run auctions to provide a transparent and liquid central counterparty (CCP) switch service between Eurex Clearing and LCH.Clearnet. The new service will enable participants to efficiently move positions from one CCP to another and optimise their margin exposure.

The launch of a CCP switch service for Euro denominated IRS follows the successful launch of a similar market for USD products on TraditionSEF – the CFTC-registered Swap Execution Facility (SEF) – where Trad-X forms the backbone of Interest Rate Swap CLOB liquidity. Since launching in 2014, TraditionSEF has become the leading SEF in the USD CCP switch market, accounting for the majority of all CCP basis volume.

Trad-X will also launch a new public reference page displaying EurexOTC cleared swap mid-markets underpinned by Trad-X's irrefutable prices. The Trad-X CLOB receives continuous two-way streaming from a wide range of market participants – including 15 of the largest global market participants in the world. This unique reference page, which will assist market participants with issuance and pricing purposes, will be displayed under TREU on BLOOMBERG.

Dan Marcus, CEO of Trad-X, commented: "Since launch we have set the industry standard for transparent and reliable pricing and believe there is a clear opportunity to pool our symbiotic strengths and further improve the trading and clearing experience. The addition of EurexOTC cleared products to the Trad-X universe, along with our award winning CCP switch service, provides users with greater post-trade flexibility and represents another example of Tradition and the industry developing solutions to increase cost efficiencies and liquidity in this market. Together, these initiatives will strengthen Trad-X's position as the pre-eminent central limit order book venue for interest rate swap trading."

"As an MTF we support fair and open access to all participants including market infrastructure providers such as Eurex Clearing. We believe the establishment of a transparent CLOB gives our customers greater choice and helps provide a fair and competitive environment."

The average daily volume of EurexOTC Clear has increased by over 60% since the start of this year. With many clients being unique to Eurex Clearing a further significant increase is expected with the start of the phases of mandatory clearing.

Philip Simons, Global Head of Fixed Income Trading and Clearing Sales at Eurex, said: "We see strong demand from clients wanting to realise the benefits of switching positions and moving risk seamlessly between CCPs to efficiently manage and optimise their capital and margin. Trad-X's excellent track record as the leading electronic IRS CLOB globally makes them a natural partner for this initiative."

“The biggest benefits result from clearing Euro interest rate derivatives at Eurex Clearing when combining existing liquidity in Eurex’s fixed-income futures with OTC IRS. The equilibrium that exists amongst our end client portfolios, with a natural balance of payers and receivers, ensures any pricing differential between CCPs is genuine and based on real market supply and demand factors.

“Using our expertise and experience in the risk management of listed and OTC derivatives we will continue to work on new initiatives to develop additional services and products that will provide further benefits to our clients and the market,” he concluded.

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**About Eurex Clearing**

Eurex Clearing, part of Deutsche Börse Group, is one of the leading central counterparties globally – assuring the safety and integrity of markets while providing innovation in risk management, clearing technology and client asset protection. Eurex Clearing provides fully-automated, straight-through post-trade services for derivatives, equities, bonds and secured funding & financing, as well as industry-leading risk management technologies.

With EurexOTC Clear, Eurex Clearing offers integrated clearing and collateralization of OTC transactions and exchange-traded derivatives under the umbrella of a single clearing house in a uniform legal framework covering all products. The OTC clearing service sets new standards in security and efficiency.

Eurex Clearing serves 176 clearing members in 17 countries, managing a collateral pool of around EUR 50 billion and processing gross risks valued approx. EUR 16 trillion every month. Find out more at [www.eurexclearing.com](http://www.eurexclearing.com)

**About Tradition**

Tradition is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in 28 countries, Tradition employs 2,400 people globally. Tradition is the trading name of Compagnie Financière Tradition (CFT), which is listed on the Swiss stock exchange. Tradition's activities are overseen by global regulators including the FCA, SEC and CFTC. For more information, please visit [www.tradition.com](http://www.tradition.com). Tradition and Trad-X are registered trademarks of Compagnie Financière Tradition S.A.

Trad-X is an MTF operated by Tradition (UK) Limited authorised and regulated by the UK Financial Conduct Authority and is an integral part of the IRS Market offering by Tradition SEF which is authorized and regulated in the United States by the U.S. CFTC.

For more information, please visit [www.tradition.com](http://www.tradition.com) and [www.trad-x.com](http://www.trad-x.com).

## Technical Information about Trad-X

*Trad-X utilises Tradition's proprietary technology to provide an electronic multi-asset class trading platform for OTC derivatives with hybrid and fully automated rich functionality, low latency and - most importantly - the potential for attracting deep liquidity. Designed with the help of the trading community, Trad-X is a logical extension to Tradition's voice brokerage services. Trad-X enables fully electronic order entry, whilst leveraging the benefits of execution capability of Tradition's voice brokers. Trad-X can be accessed via its own fully customisable and configurable client GUI, by using its FIX API or through independent software vendors such as ION. Trad-X data, with best bid, offer and size, can be subscribed to via 'TRDX' Bloomberg pages. The pages show around 100 of the most liquid points on the € IRS curve, to which 12 banks are streaming prices electronically. Our public reference pages 'TTST1' on Thomson Reuters and 'TREU' on Bloomberg for Euro, 'TDOL' on Thomson Reuters and 'TIRS1' on Bloomberg for USD are calculated directly from Trad-X mid markets providing superior price formation based on real prices. Trad-X also provides auction functionality in Interest Rate Options.*