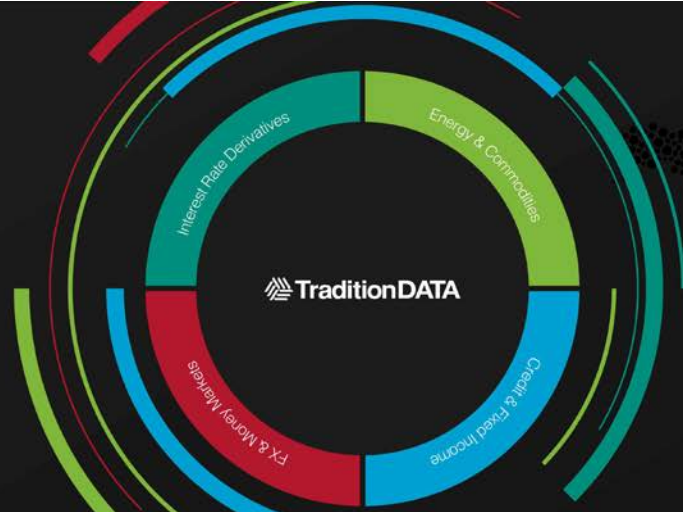


September 2020

EN: Sept20-0019



Product Notification

Release: Enhancement of USD Interest Rate Options

As a result of the USD CCP transition on October 16th 2020 from US Federal Funds Effective Rate (EFFR) to the Secured Overnight Funding Rate (SOFR) discounting, TraditionDATA has made the following enhancements to our IRO offering.

Based on customer feedback, TraditionDATA will apply the following discounting assumptions:

- USD cash settled swaptions (ISDA Supplement 28), and physical CME-settled swaptions: SOFR-funded underlying swap pricing and forward premiums. Spot premiums will be the EFFR-discounted equivalent of the forward premium reflecting bilateral option CSA.
- USD Caps/floors: All pricing will reflect an EFFR bilateral CSA assumption with the forward rates curve bootstrapped using a SOFR-funding assumption.
- Identifying EFFR vs. SOFR within our direct delivered flat files: Two fields that specify funding that have contained "USD" will instead contain "SOF" or "EFF" for clarity purposes. "CSA Currency" indicates the CSA currency for the underlying swap and "CSA Currency Option" indicates the CSA currency for the option contract.

TraditionDATA provides consistent, high-quality financial market data that reflect real price interest in global OTC swaps markets, covering FX & Money Markets, Interest Rate Derivatives, Credit & Fixed Income, and Energy & Commodities. Data can be delivered directly from Tradition or from one of our distribution partners, which include, among others, Bloomberg, ICE, NEX and Refinitiv.

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