IT – Genium INET 4.0.0250 Project Update for Fixed Income

This message contains important information regarding the Genium INET upgrade on June 6th to version 4.0.0250 which includes the new functionalities and enhancements going live June 8th, 2015.

The following changes, enhancements and improved functionalities will be introduced for Nasdaq Fixed Income in Genium INET 4.0.0250.

Compression of OTC Rates

A compression service for OTC rates (IRS/OIS) will be offered to clearing members. The purpose of compression is to reduce the outstanding notional amounts but maintain the risk profile of a portfolio. The compression service will be developed in cooperation with an external provider.

Improved handling of upfront payer and termination payer for OTC rates

The upfront payer in a swap trade report and the termination payer in a swap termination will no longer be specified as a participant, instead the payer will be specified as party or counterparty to be able to distinguish who will pay when party and counterparty is the same participant.

If set to party: The party in the trade report shall pay the upfront/termination payment.
If set to counterparty: The counterparty in the trade report shall pay the upfront/termination payment.

Daily Cash Settlement

Nasdaq is introducing daily cash settlement on all standardized fixed income derivatives that are currently offered as forwards with monthly cash settlement.

The daily settled products will be off-settable, undiscounted and profit/loss will be settled on a daily basis.

The Nordea Hypotek and Swedbank Hypotek contract which currently have a physical underlying will be replaced by contracts with a synthetic underlying contract base.
The daily settled fixed income derivatives will replace the fixed income forwards after a transition period during which both the forward and the futures contracts are available for clearing.

Technical Impact

Please visit our website where you will find technical specifications and information regarding technical impact.
http://www.nasdaqomx.com/transactions/technicalinformation/geniuminet/enhancements/genium-inet-4.0.0250

For questions or comments, please contact:

Fixed Income Sweden
fixedincomesweden@nasdaq.com

Technical Information
Charlie Holmgren
Charlie.holmgren@nasdaq.com
+46 8 405 6944

Technical Operations
technicalsupport@nasdaq.com
+46 8 405 6750