

SWESTR OIS

Overnight Index Swaps referencing SWESTR

Nasdaq Clearing provides clearing of Overnight Index Swaps referencing SWESTR (The Swedish krona Short Term Rate). OIS are Interest Rate Swaps with a fixed rate and where the floating rate is made up of a series of fixings that are compounded until the settlement date. Nasdaq Clearing accepts OIS trades with a maturity of ten years from the registration day.

Product Specification

Type of product: Overnight Index Swap (OIS)

Underlying benchmark: SWESTR (The Swedish krona Short Term Rate)

Floating Rate Option: SEK-SWESTR-OIS Compound

Floating Rate Day Count Fraction: ACT/360

Fixed Amount Calculation: Fixed Amount = Calculation Amount * Fixed Rate * Fixed Rate Day Count Fraction

Floating Amount Calculation: Floating Amount = Calculation Amount * Floating Rate (+/- Spread) * Floating Day Count Fraction

Calculation of Floating Rate: The floating rate will be the rate of return of a daily compound interest investment, calculated in accordance with the formula below, where the reference rate for the calculation of interest is the "Underlying Benchmark", in this case SWESTR;

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Underlying Benchmark Level}_i \times n_i}{\text{Day Count Basis}} \right) - 1 \right] * \frac{\text{Day Count Basis}}{d}$$

Contact Us

For more information, please contact:

FixedIncomeSweden@nasdaq.com

or visit:

Nasdaq.com/solutions/clearing-of-otc-rate-derivatives

SWESTR OIS clearing at Nasdaq

Notional Amount: The minimum notional amount is 1 000 000 SEK and shall not exceed 50 000 000 000 SEK

Minimum Remaining Term: The period between novation and termination must be at least 5 business days

Maximum Remaining Term: The period from novation and termination must not be more than 10 years

Payment delay: 1 day (i.e. payments take place 1 day after a period end date or termination date)

Variation Margin: The Variation Margin requirement equal the profit or loss amount determined on any Business Day on the basis of the daily market valuation. Each Business Day the profit or loss of a transaction is shifted between net debtors and net creditors

Price Alignment Interest (PAI): In addition to Variation Margin, interest shall be payable on the cumulative Variation Margin, at the applicable overnight interest rate, i.e. SWESTR. As the SWESTR rate applicable from T to T+1 is not available before T+1, the rate from T-1 will be used in calculations.

Clearing eligibility: Members wishing to clear SWESTR OIS need to have entered a Default Management Commitment for SEK and have posted their contribution to the Loss Sharing Pool as stipulated in the Loss Sharing Rules. Clients will have access through their designated clearing broker.

Risk Model: Cash Flow Margin (CFM)

Valuation: Using an instantaneous forward rate curve calibrated on SWESTR OIS prices both for forecasting and discounting.

Margining: All forecasting and discounting will be done with the same discount factor curve calibrated on SWESTR OIS prices.

Series Designation: SEK_OIS_ON

For more information, contact: FixedIncomeSweden@nasdaq.com