



# Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index Futures Product Launch

Reference ID: C20180091403

## Overview

Cboe Futures Exchange, LLC (“CFE”) plans to launch trading in Cboe<sup>®</sup> iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (“IBIG”) futures on Monday, October 8, 2018 at 8:30 a.m. CT, subject to regulatory review.

IBIG futures are cash-settled futures on the iBoxx<sup>®</sup> iShares<sup>®</sup> \$ Investment Grade Corporate Bond Index (“IBXXIBIG Index”). The IBXXIBIG Index provides a measure of the U.S. dollar denominated, investment grade corporate bond market.

CFE will also allow for Trade at Settlement (“TAS”) transactions in IBIG futures under the ticker symbol IBIGT. The CFE trading system treats each TAS single leg expiration and each TAS spread as a unique contract from a system perspective. Accordingly, this notice refers to these IBIG TAS instruments as IBIGT futures.

## Product Specifications

Trading hours for IBIG and IBIGT futures will be Monday – Friday from 8:30 a.m. CT – 3:15 p.m. CT. The pre-open (queuing) period will begin at 5:00 p.m. CT on the previous calendar day. Trading hours for an expiring IBIG futures contract will end at 2:00 p.m. CT on its final settlement date. Trading hours for an expiring IBIGT futures contract will end at 3:15 p.m. CT on the day prior to its final settlement date.

The minimum increment tick size for single leg IBIG futures transactions executed through the CFE trading system will be 0.01 index points. The minimum tick size for single leg IBIGT future transactions executed through the CFE trading system will be .005 index points. IBIG and IBIGT futures will have a \$0.01 tick increment for individual legs and net prices of spread trades, and a \$0.005 tick increment for block trades and exchange of contract for related position transactions.

Complete product specifications and product specification rules for IBIG futures are included in the CFE [product certification](#) for IBIG futures. Upon activation, [current Product Level System Parameters](#) will always be available on <http://markets.cboe.com>.

## **IBIG and IBIGT Product Testing Opportunities**

IBIG and IBIGT futures are available for testing in the CFE Certification environment. **All IBIG/IBIGT futures trading participants are strongly encouraged to test in the CFE Certification environment prior to trading in the CFE Production environment.**

## **New Contract Details**

Below are the IBIG/IBIGT futures expirations CFE plans to list on October 8, 2018 for the IBIG futures product launch.

<b>Product</b>	<b>Month/Year or Futures Symbol</b>	<b>Listing Date</b>	<b>Last Trading Day</b>	<b>Final Settlement Date</b>
Cboe® iBoxx® iShares® \$ Investment Grade Corporate Bond Index Futures (IBIG)	IBIG/NOV 18	OCT 8 18	NOV 01 18 2:00 pm CT	NOV 01 18
	IBIG/DEC 18	OCT 8 18	DEC 03 18 2:00 pm CT	DEC 03 18
	IBIG/JAN 19	OCT 8 18	JAN 02 19 2:00 pm CT	JAN 02 19
	IBIG/FEB 19	OCT 8 18	FEB 01 19 2:00 pm CT	FEB 01 19
Cboe® iBoxx® iShares® \$ Investment Grade Corporate Bond Index TAS Transactions (IBIGT)	IBIGT/ NOV 18	OCT 8 18	OCT 31 18	NOV 01 18
	IBIGT/ DEC 18	OCT 8 18	NOV 30 18	DEC 03 18
	IBIGT/ JAN 19	OCT 8 18	DEC 31 18	JAN 02 19
	IBIGT/FEB 19	OCT 8 18	JAN 31 19	FEB 01 19

## **Fee Schedule**

CFE plans to implement the following transaction fees for iBoxx® iShares® Bond Index (“Corporate Bond Index” or “CB Index”) futures, including IBIG and IBIGT futures:

- |  |  |
|--|--|
| A. CFE TPH Permit Holder   | \$0.30   |
| B. Customer  | \$1.00   |
| C. Day Trade   | There is no day trade discount applicable to IBIG futures. |
| D. Block Trades<br>(Fee is in addition to other applicable transaction fees) | \$1.00   |
| E. CFE Regulatory Fee  | \$0.04   |

## **IBIG/IBIGT Fee Codes**

IBIG and IBIGT Fee codes are referenced below.

Fee Code	Product	Description
IC	IBIG, IBIGT	Corporate Bond Future - Customer
IP	IBIG, IBIGT	Corporate Bond Future -TPH

## **Margin Requirements for IBIG Futures**

The current margin requirements for all IBIG futures contracts are:

Margin Type	Outright	Spread (intra-commodity, all contract pairings)
Speculative Customer Initial	\$1,265	\$660
Customer Maintenance	\$1,150	\$600

The customer maintenance margin requirement is both the initial and maintenance margin requirement for hedgers and Trading Privilege Holders (“TPHs”).

The Options Clearing Corporation (“OCC”) has updated CFE’s SPAN® file to accommodate SPAN margining of IBIG futures.

These requirements are minimums. Brokerage firms may impose higher margin requirements and/or impose other conditions.

As with other CFE futures contracts, the margin rates for IBIG futures are subject to change by OCC at any time.

Margin requirements for IBIG futures contracts can be found in the CFE margin table located on the CFE website at [http://markets.cboe.com/us/futures/notices/margin\\_updates/](http://markets.cboe.com/us/futures/notices/margin_updates/)

*“SPAN” is a registered trademark of CME Group Inc. (“CME”), used herein under license. CME assumes no liability in connection with the use of SPAN by any person or entity.*

## **CFE Clearing and TPH Risk Control Parameters**

TPH organizations interested in trading IBIG and IBIGT futures must contact their clearing firm to assure that Clearing Firm Risk Controls are set prior to participating in IBIG and IBIGT future trading. Optional TPH Risk Controls are also available through the CFE Customer Web Portal.

## **Additional Information**

For more information refer to:

- ❖ [Cboe IBIG Web Page](#)
- ❖ [CFE Fee Schedule](#)
- ❖ [Product Level System Parameters](#)

These items will be updated upon the launch of IBIG futures.

Please contact the CFE Trade Desk for support or with any further questions.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

**CFE Trade Desk**

312.786.8700

[cfetradedesk@cboe.com](mailto:cfetradedesk@cboe.com)

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