

FTSE Russell publishes indicative Term SONIA Reference Rates

- Daily indicative Term SONIA reference rates based on overnight indexed swaps (OIS) now publicly available
- Forward looking term interest rates based on committed quotes available for 1 month, 3 month, 6 month and 12 month tenors
- Developed in partnership with leading inter-dealer brokers in support of industry-wide efforts to transition from LIBOR

FTSE Russell, the global index, data and analytics provider, today announces the publication of daily indicative Term SONIA Reference Rates (TSRR). The sterling interest rate benchmark has been developed by FTSE Russell to aid the transition from LIBOR by 2021 by providing market participants with a transparent and robust reference rate based on overnight indexed swaps (OIS).

FTSE Russell's TSRR offers a robust and transparent benchmark methodology that caters for a range of market participants and use cases, as well as a governance structure that supports the evolution of the methodology. FTSE Russell intends to form an advisory committee comprising a broad range of market participants including market makers, TSRR end users, and other key stakeholders.

TSRR will be published by FTSE Russell in indicative form for at least the next six months to allow prospective users to evaluate and provide feedback on the partnership approach and methodology. Publication of a live rate that meets the requirements of the European benchmark regulation and the IOSCO Principles for Financial Benchmarks is targeted by the end of 2020.

Arne Staal, Global Head of Research and Product Management, Information Services, LSEG said:

“We have partnered with a diverse mix of market participants to offer an indicative forward-looking risk-free rate for Sterling in multiple tenors. As a leading global index provider, we have leveraged our robust index and data governance and oversight capabilities to ensure transparency for important financial benchmarks. We continue to support the work of the Sterling Working Group, the Bank of England and FCA, in the adoption of SONIA as the primary interest rate benchmark in sterling markets.”

To view the indicative reference rate, please visit: <https://research.ftserussell.com/products/indices/tsrr>

– Ends –



Press Release



FTSE
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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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