December 20th, 2021

Fenics MarketData

Customer Notice on FX Implied Yields Methodology Change to RFR Discounting

As many of you are aware GBP, CHF, and JPY LIBOR are scheduled to be discontinued December 31st, 2021.
In accordance with the reforms, the BGC, GFI and RP Martin desks will no longer continue to price the LIBOR-based products.

Furthermore, Fenics Market Data's FX Suite will be affected by the upcoming Libor cessation reforms, including FMD FX Implied Yields.

In summary:

- For FMD FX Implied Yields, where both currencies in a FX pair have a valid RFR curve, RFR discounting will be used to ensure accuracy, for example GBP/USD would switch to SONIA/SOFR, CHF/USD to SARON/SOFR and USD/JPY to SOFR/TONA:
    - AUD > AONIA (Australian Overnight Index Average)
    - CAD > CORRA (Canadian Overnight Repo Rate Average)
    - CHF > SARON (Swiss Average Rate Overnight)
    - EUR > €STR (Euro Short-Term Rate)
    - GBP > SONIA (Sterling Overnight Index)
    - JPY > TONA (Tokyo Overnight Average rate)
    - NOK > NOWA (Norwegian Overnight Weighted Average)
    - SGD > SORA (Singapore Overnight Rate Average)
    - USD > SOFR (Secured Overnight Financing Rate)
- As of December 31st, 2021 the list of FMD impacted FX Implied Yields will include: AUDUSD, EURAUD, EURCAD, EURCHF, EURDKK, EURGBP, EURJPY, EURNOK, EURNZD, EURSGD, EURUSD, GBPUSD, NZDUSD, USDCAD, USDCHF, USDDKK, USDJPY, USDNOK, USDSGD.
- FMD FX Forwards for Deliverable and Non-Deliverable currencies will be unaffected by choice of discounting.

For more information or to access FMD branded packages, please contact: datasales@fenics.com