

# 3-month NIBOR FRA (3NFRA)

## NIBOR-FRA – Managing Norwegian short-term interest rate risk

OMX Nordic Exchange provides central counterparty clearing services for Nordic fixed income products.

The NIBOR FRA contract serves as a valuable tool in management of Norwegian short-term interest rate risk. Contract base is 3-month NIBOR. The contract has standardized expiration days, i.e. IMM days. This means that liquidity is concentrated to a limited number of contracts, which benefits trading.

The contract is suitable both for directional trading as well as for spread trading e.g. 3-month NIBOR against 3-month STIBOR. For the complete description of the contract specification please see OMX Nordic Exchange Rules and Regulations for Derivatives.

### FACTS

**Contract standard:** Forward contract with cash settlement of the difference between a fixed rate, agreed by the parties, and the reference rate.

**The Contract base/ Reference rate:** 3-month Norwegian InterBank Offered Rate, NIBOR.

**Size of the contract base:** NOK 1,000,000

**Tick size:** 0.0001

**Price quotation:** The FRA contract price is quoted as simple interest rate with an act/360 day convention.

**Trading:** Trading is performed OTC and trades are reported to OMX for clearing. Trading hours are in accordance with market practice in the Norwegian fixed income market.

**First trading day:** Same day as expiration of the next contract scheduled for expiration.

**Expiration months:** March, June, September and December

**The expiration settlement day:** The third Wednesday of the expiration month.

**Expiration day/Last trading day:** Two bank days prior the expiration settlement day.

**Expiration fixing:** Fixing of 3 month NIBOR is established at expiration day 12.05 CET.

**Periodic settlement:** Cash settlement of the difference between the trade price and monthly fix takes place at the last bank day of each calendar month.

**Registration:** 08.30 – 19.15 CET on normal bank days.

**Last time for registration:** 13.00 CET at expiration day.

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**OMX NORDIC EXCHANGE**<sup>TM</sup>

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