

ASX Benchmarks



ASX

ASX interest rate benchmarks

ASX benchmarks are at the heart of Australia's interest rate complex.

In a world of uncertainty, ASX administered benchmarks help you invest, borrow and transact with confidence. ASX's benchmark suite gives issuers, investors, borrowers and lenders the flexibility to choose the right reference rate for each transaction. Designed in collaboration with regulators and market practitioners, they bring integrity, transparency and clarity to decision-making.

The ASX interest rate benchmark suite¹

BBSW

(Bank Bill Swap Rate)

- The leading reference rate for Australian dollar securities
- Referenced in approximately \$18 trillion worth of AUD transactions*
- Based on transactions in Bank Bills and Negotiable Certificates of Deposit (NCDs)
- Forward looking out to 6 months

Realised AONIA

(AUD Overnight Index Average)

- A risk-free alternative
- Transaction based and transparent
- Based on the RBA Cash Rate, compounded over the prior 1 to 6 month period
- Setting in arrears

Why use ASX Benchmarks?

ASX interest rate benchmarks offer a range of benefits for product issuers, investors and borrowers alike.



Robust

Developed by Australia's first licensed benchmark administrator and trusted exchange provider, ASX benchmarks bring certainty and transparency to borrowing and investment decisions.



Regulated

All ASX benchmarks benefit from the same stringent governance and oversight framework. ASX Benchmarks is a licenced benchmark administrator under the Corporations Act and is subject to the ASIC Financial Benchmark (Administration) Rules 2018.



Relevant

ASX benchmarks have been designed in collaboration with regulators and market practitioners to ensure they are robust and relevant.



Flexible

A choice of reference rates for different transaction types and investors. ASX continues to invest in new benchmark development.



Accessible

ASX benchmark data can be accessed directly from ASX or via vendors, including Bloomberg and Refinitiv.



Actionable

ASX benchmarks are available for corporate actions in Austraclear, Australia's Central Securities Depository for wholesale debt instruments.

About ASX Benchmarks

ASX Benchmarks Limited is a wholly owned subsidiary of ASX Limited and has responsibility for the calculation and publication of Australian benchmark rates.

As a licenced benchmark administrator, ASX Benchmarks is governed in accordance with global best practice

principles. ASX employs world class validation, calculation, approval and oversight functions to ensure users of ASX Benchmarks can access rates with confidence.

ASX Limited operates several trading, clearing and settlement platforms in Australia. ASX is among the top 10 exchange groups globally and is the world leader in Australian dollar financial markets.

Access benchmark rates

ASX Benchmark rates are available to all market users via subscription.

Details of the subscription packages are published on the ASX Benchmarks webpage: asx.com.au/benchmarks

¹ ASX also administers the 3 and 10 Year Treasury Bond Futures Settlement Price via ASX Clear (Futures).

* As at September 2018





BBSW

Transaction-based and transparent, BBSW is an essential pillar of Australia's financial infrastructure.

BBSW is a forward-looking, unsecured short-term money market rate that reflects Prime Bank facing credit exposure. As Australia's most widely used reference rate, BBSW is an important tool for pricing or revaluing Australian dollar derivatives, loans and securities contracts, as well as a key performance benchmark.

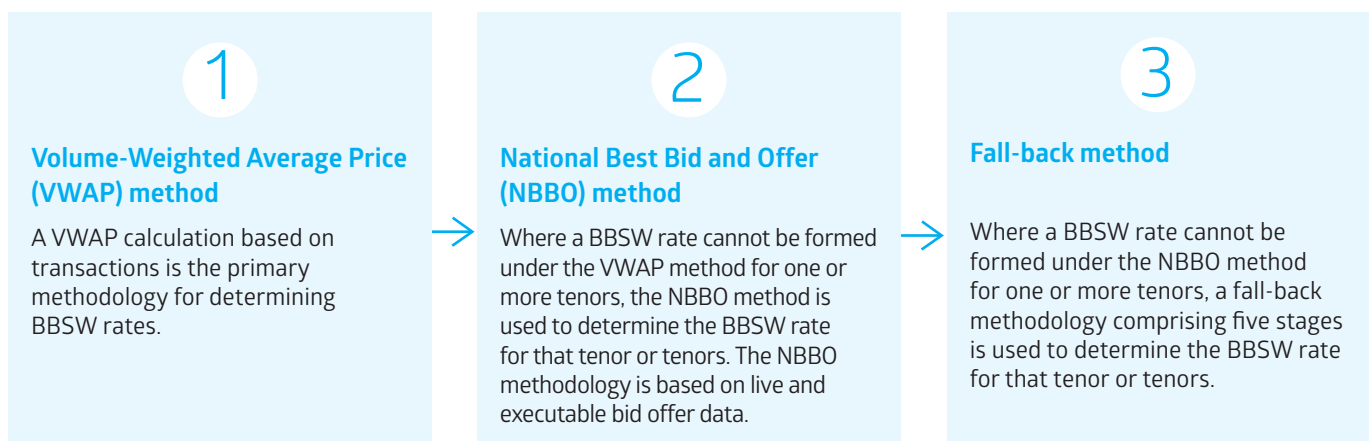
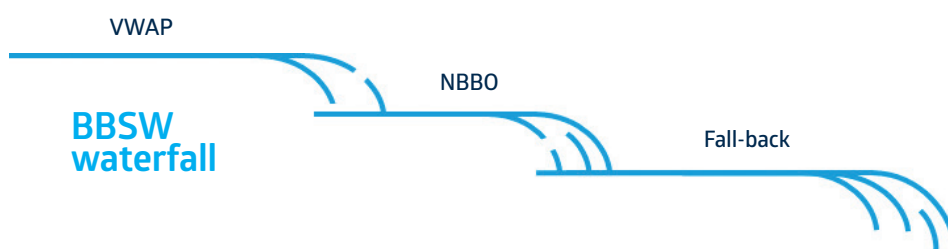
Reformed in 2018 in collaboration with the regulators and market participants, BBSW is calculated in accordance with global best-practice principles, including the ASIC Financial Benchmark Rules and IOSCO principles for financial benchmarks.

Key benefits

			
Transaction based	Timely	Significant benchmark	Recognised by the EU
Measuring the traded price of eligible Prime Bank securities in the open market each day, BBSW is underpinned by average daily eligible transaction volume of AUD1.8bn.	BBSW is one of the few transaction-based benchmarks globally calculated and published on the same day.	BBSW is 1 of 5 significant financial benchmarks in Australia. BBSW is used in a wide range of financial transactions including derivatives, business loans and debt securities.	The Australian regulatory framework has been recognised as equivalent by the European Union. BBSW is included on ESMA's register for third country benchmarks enabling BBSW to be used by EU entities.

How is BBSW calculated?

BBSW rates are based on a combination of transaction data and live executable prices using a deep and robust calculation waterfall methodology, comprised of three main stages. For more information on the BBSW calculation waterfall visit: asx.com.au/benchmark.



BBSW rates can be accessed via Bloomberg (ASX29) and Refinitiv (BBSW) pages.

Realised AONIA

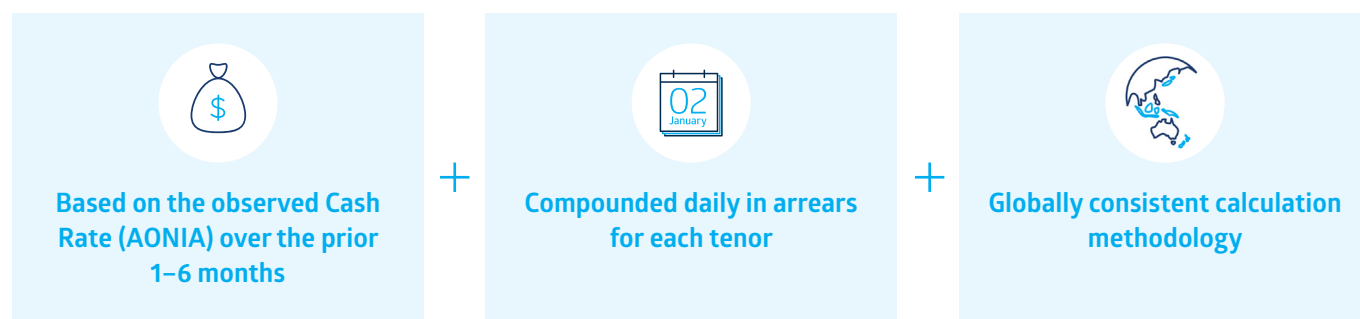
A transaction-based (near) risk-free rate developed in line with global benchmark reform.

A valuable alternative for securities and transactions requiring a (near) risk-free reference rate, Realised AONIA is based on a compounded average of the Reserve Bank's Interbank Overnight Cash Rate (Cash Rate) also known as AONIA. Realised AONIA reflects the average rate at which banks have transacted in the overnight AUD cash market on an unsecured basis over the past 1 – 6 months.

Key benefits

Available via vendors Based on interbank transactions in the overnight cash market. Realised AONIA rates are available via Bloomberg and Refinitiv along with two years of historical data.	A best-practice benchmark Realised AONIA applies a globally consistent compounding formula – so you can be confident your decisions are based on a best-practice benchmark.	A risk-free alternative Realised AONIA is a risk free rate (does not include bank credit risk) – potentially making it a more suitable alternative for certain securities such as government issued floating rate notes.	Robust Applying a proven calculation methodology using the RBA Cash Rate which is underpinned by average daily transaction volume of ~AUD 4bln.
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How is Realised AONIA calculated?



Realised AONIA rates can be accessed via Bloomberg (ASX32) and Refinitiv (AONIARF=) pages.

Further Information

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