Unofficial Translation

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BORSA İSTANBUL

Doc	Type	Announcement
	No	2021/97
	Subject	Launch of Physically Delivered Government Bond Futures Contracts on Derivatives Market
	Apr. Date	23/12/2021
	From	Derivatives Market
	To	Members, Data Vendors and Independent Software Vendors (ISVs)

To Whom It May Concern,

Physically Delivered Government Bond Futures Contracts are planned to be launched on Derivatives Market with the draft contract specifications in Attachment 1. The go-live date and underlying information of the contracts will be announced later.

New contracts will be ready for testing in the BISTECH member test environment (10.57.3.8 for members - 10.57.3.17/185.76.203.244 for data vendors) with the draft configurations in Attachment-2 as of December 24, 2021. Our members, data vendors and software providers are expected to take necessary actions and attend the test period effectively.

Kindly for your information.

Korkmaz ERGUN
CEO and Board Member

ATTACHMENTS:

Attachment -1: Physically Delivered Government Bond Futures Draft Contract Specifications (2 pages).

Attachment -2: Configurations in BISTECH Member Test Environment (1 page)

Attachment -3: Physically Delivered Government Bond Futures Contracts Example (1 Page)

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Attachment -1: Draft Physically Delivered Government Bond Futures Contracts Specifications

Underlying Asset	Government Debt Securities traded at Borsa İstanbul Debt Securities Market and determined by Borsa İstanbul.
Contract Size	Nominal Value= 100,000 TRY Contract Size= 1,000
Price Quotation and Minimum Price Tick	Prices shall be entered on the basis of 100 unit as a three digit value of clean price that is not including any accrued interest. (for example: 99.373, 99.374 etc.) Minimum price tick is 0.001 TRY. The minimum price tick corresponds to a value of 1 TRY.
Contract Months	March, June, September and December. (Contracts with two different expiration months nearest to the current month shall be traded concurrently.)
Settlement	Physical delivery
Daily Settlement Price	The daily settlement price used for updating accounts following the end of the session is calculated as follows and rounded to the nearest price tick: a) The weighted average price of all the trades performed within the last 10 minutes of the Normal Session, b) If less than 10 trades were executed in the last 10 minutes of the session, the weighted average price of the last 10 trades performed during the session, c) If less than 10 trades were performed during the session, the weighted average price of all the trades performed during the session, d) If no trades were performed during the session, the settlement price of the previous day, will be determined as the daily settlement price. If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods. a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract. Trade reports will not be taken into consideration in the above calculations. The Settlement Price Committee's right to change the daily settlement price is under reserve.
Expiry Day (Final) Settlement Price	The weighted average clean price calculated for the T+1 value date of the relevant underlying Government Debt Securities is accepted as the final settlement price The final settlement price will be determined by the Settlement Price Committee if the spot market was partialy or entirely closed in the spot market

	that underlying security is traded, or price was not discovered despite the fact that the market was open on the last trading day. The price for physical delivery is the dirty price found by adding the accrued interest to the settlement price.
Last Trading Day	Last business day of the standard contract month. In case domestic markets are closed for half day due to an official holiday, last trading day shall be the preceding business day.
Expiry Day	Last business day of the standard contract month. In case domestic markets are closed for half day due to an official holiday, expiry day shall be the preceding business day.
Settlement Period	Settlement period is T+1 for physical delivery. Losses are deducted from the accounts starting from the end of T day, while profits are added to the accounts by T day.
Base Price and Daily Price Limit	Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price limits. For the other days, base price is the settlement price of the previous day. Daily price limit is equal to ±10% of the base price determined for each contract. If the upper or lower limit calculated does not correspond to a price tick, the upper limit will be rounded to the lower price tick; and the lower limit, to the upper price tick.
Trading Hours	09:30 – 18:15
Collateral and Margining Rules	It is stated according to Clearing Legislation.

Attachment -2: Configurations in BISTECH Member Test Environment

Validity Date	Related Market	Definitions	Configurations
24/12/2021	Derivatives Market	Market	D_BO
24/12/2021	Derivatives Market	Market Segment	BOP
27/12/2021	Derivatives Market	Instrument Type	D_BO_FPD
	Derivatives Market	Underlying	TRT110226T13
27/12/2021	Derivatives Market	Instrument Class	DE_TRT110226T13_FPD
28/12/2021	Derivatives Market	Instrument	F_TRT110226T13_1221 F_TRT110226T13_0322

Attachment -3: Government Bond Futures Contracts Example

Underlying	TRT110226T13
Coupon Interest	%5.3 (semiannual)
Last Paid Coupon Date	18/08/2021
Instrument	F_TRT110226T13_1221
Nominal Value	100,000 TRY
Contract Size	1,000
Expiry Date	31/12/2021
Physical Delivery Date (Value Date)	03/01/2022
Buy Price (clean price)	68.000
Buy Quantity	1
Traded Value	Quantity * Nominal = 1 x 100,000= 100,000
Accrued Interest	Coupon Rate (%) *(Value Date- Last Paid Coupon Date) / number of days in coupon period = 5.3*(138/182)= 4.01868
Exchange Fee	(1/100,000)*100,000*Quantity (1/100,000)* 100,000*1=1 TRY
Daily Settlement Price (Clean Price)	69.000
Profit	(Settlement Price-Buy Price)*Contract Size (69.000-68.000)*1,000=1,000 TRY
Expiry Date Settlement Price	69.550
Physical Settlement Price (Dirty Price)	69.550+4.01868=73.56868
Settlement Amount	Physical Settlement Price * Quantity*Contract Size 73.56868*1*1,000=73,568.68 TRY
Settlement Transactions	At the business day following to the settlement day, short positions owner will deliver the underlying government bond with TRY 100,000 nominal. Long positions owner will pay the 73,568.68 TRY.