

# JPX JGB Futures Index Series Guidebook



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## Record of Changes

Date	Changes
2015/9/18	*New Publication

## **Introduction**

- Japan Exchange Group, Inc. (JPX) and Osaka Exchange, Inc. (OSE) jointly calculate and publish JPX JGB Futures Index Series in accordance with the method described in this document. If an event not specified in this document occurs, or if OSE determines that it is difficult to use the method described in this document, OSE may use an alternative method of index calculation as it deems appropriate.
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### **I. Outline of JPX JGB Futures Index Series**

- JPX JGB Futures Index Series consists of “JPX JGB Futures Index”, “JPX JGB Futures Inverse Index”, “JPX JGB Futures Leveraged Index”, and “JPX JGB Futures Double Inverse Index”.
- JPX JGB Futures Index tracks the performance of the front contract month of 10-year JGB Futures (Large Contracts). JPX JGB Futures Leveraged Index, JPX JGB Futures Inverse Index, and JPX JGB Futures Double Inverse Index are designed to represent the double, inverse, and double inverse performances of the JPX JGB Futures Index, respectively.
- Calculation and publication of these indices are scheduled to start on July 19, 2016, when OSE launches the next generation derivatives trading system (Next J-GATE).

### **II. Index Calculation**

#### **1. Outline**

- The price used for calculation is the last trading price of 10-year JGB Futures (Large Contracts) (excluding the price resulting from strategy trading), resulting from regular trading (not block trades) throughout the morning and afternoon sessions on that day. In the event there is no last trading price, OSE will determine a price based on Article 20-5, Paragraph 1, Item 1 of the Handling of Business Rules of Japan Securities Clearing Corporation.
- The price of the front contract month is used as the futures price. Note that the price used for the futures price will be changed to that of the next contract month one business day prior to the last trading day of the front contract month.
- The index is measured in points, and the figure is indicated up to the second decimal place. (rounded off to the nearest hundredth of a decimal point)
- The index value on December 30, 2008 was 10,000.

#### **2. Formula**

$$\text{Index value of the day} = \text{Index value of the previous business day} \times \left\{ 1 + \alpha \times \left( \frac{\text{Futures price of the day}}{\text{Futures price of the previous business day}} - 1 \right) \right\}$$

\* The same contract month is used for both “Futures price of the day” and “Futures price of the previous business day”.

\*  $\alpha$  is treated as 1, -1, 2, and -2 for “JPX JGB Futures Index”, “JPX JGB Futures Inverse Index”, “JPX JGB Futures Leveraged Index”, and “JPX JGB Futures Double Inverse Index”, respectively.

### III. Others

#### 1. Publication

- Each index is calculated by OSE and figures for the last trading prices are published once a day through Next J-GATE (scheduled to launch on July 19, 2016).

#### 2. Licensing

JPX and OSE reserve all calculation, publication, and other rights pertaining to JPX JGB Futures Index Series. As such, commercial use of said indices in the composition and/or sale of financial products, such as funds or linked bonds (including using any of the indices as the basis for options, swaps, warrants, or other OTC derivatives), or provision of index data requires a license from OSE.

#### 3. Disclaimer

In the case of an error in index value, a computer malfunction, natural disaster, or other unavoidable circumstance, OSE may postpone or cancel calculation of the indices. OSE shall not, under any circumstances, guarantee the accuracy of the indices. Should any error occur in index calculation, OSE shall not be liable for any damages incurred by any person or organization due to such error.

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