Euro-BTP Futures
Italian government bond futures

The divergence of yields between government bonds across Europe since the “credit crunch” was further exacerbated by the sovereign debt crisis. The financial markets, hit by this crisis in confidence, have required appropriate instruments to ensure more accurate hedging for non-triple A rated European government bonds.

To address these market challenges, and to complement our benchmark German government bond futures, Eurex offers Long-Term, Mid-Term and Short-Term Euro-BTP Futures contracts based on notional debt instruments issued by the Republic of Italy (Buoni del Tesoro Poliennali – BTP).

Eurex’s Euro-BTP Futures are designed to provide traders and fund managers with a viable hedging tool in an environment of volatile yield spreads between the sovereign bonds of European Union countries and significant political event risk.

**Key benefits**

**Eurozone rates hedging:**
Together with Eurex’s Euro-Bund, Euro-OAT and Euro-BONO Futures, Euro-BTP Futures are precise hedging tools for interest rates in the Eurozone.

**Futures alternative:**
For investors, Euro-BTP futures are an alternative to sovereign credit default swaps (CDS) following European Union rules that outlaw naked positions in CDS contracts.

**Spread trading:**
A liquid alternative to cash bonds for trading the respective yield spread between German and Italian debt. In particular spread trading against the Euro-Bund, Euro-Bobl and Euro-Schatz Futures curve as a “credit trade” strategy.

**Enhanced basis trading:**
Basis trading on the long-, mid- and short-term segment of the Italian yield curve. Euro-BTP Futures provide the opportunity to trade the basis on Italian debt instruments and complement the Italian cash market.

**Trading opportunities:**
Euro-BTP Futures are designed to enable trading the long-, mid- and short-term points on the Italian yield curve to benefit from anticipated shifts. Furthermore Euro-BTP Futures are used for portfolio overlay strategies or trading the “Switching Option” to take advantage of opportunities created by changes in the cheapest-to-deliver.

**Cost efficiencies.**
Benefit from potential margin off-sets against other Eurex Fixed Income Futures and cleared OTC IRS positions with Eurex Clearing, one of the leading CCPs globally.

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### Long-Term Euro-BTP Futures

- **30,283,789** traded contracts in 2018
- **119,228** average daily volume in 2018
- **394,543** open interest (as of 28 Dec 2018)
- **515,986** open interest peak on 29 Nov 2018

### Short-Term Euro-BTP Futures

- **18,116,789** traded contracts in 2018
- **71,326** average daily volume in 2018
- **214,873** open interest (as of 28 Dec 2018)
- **282,118** open interest peak on 25 Oct 2018
With the aim of complementing the over-the-counter interest rates derivatives market, Eurex contracts in Long-, Mid- and Short-Term Euro-BTP Futures can also be traded outside the order book, and subsequently booked to Eurex through our Eurex T7 Entry Services. This means that, when it comes to position keeping and the clearing and settlement of futures transactions, investors benefit from the advantages offered by a listed derivatives product. For the Block Trade Service, Eurex’s Long-Term Euro-BTP Futures are subject to a minimum block trade size of 250 lots. The short- and mid-term contracts feature a minimum size of 100 lots.

**Exchange for Swaps (EFS) and Exchange for Physicals (EFP)**

To facilitate basis trading, the Exchange for Physicals (EFP) and Exchange for Swaps (EFS) Services allow for simultaneous purchase (sale) of futures along with a sale (purchase) of the underlying bond, vanilla swap or another futures contract. Such transactions are not subject to a minimum number of contracts.

**Mitigating risks through CCP clearing**

With Eurex Clearing, Europe’s leading clearing house for securities and derivatives transactions, as the central counterparty to all trades, you benefit from mitigated counterparty risk. Eurex Clearing provides effective CCP, risk and collateral management services thus improving operational efficiency as well market safety overall.

**Contract codes**

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