

LONDON NOTICE No. 3513

ISSUE DATE: 13 October 2011
EFFECTIVE DATE: 19 October 2011

LONG GILT CONTRACT (EXCHANGE CONTRACT NO. 7)

REVISION TO THE NOTIONAL COUPON FROM 6% TO 4% UPDATE TO THE LIST OF DELIVERABLE GILTS AND ASSOCIATED PRICE FACTORS

Executive Summary

This Notice informs Members of the reinstatement of the March 2012 delivery month of the Long Gilt Futures Contract, and associated Options expiry month, based on a revised 4% Notional Coupon, and provides Members with an updated Initial List of Deliverable Gilts.

1. London Notice No. 3508, issued on 7 October 2011, informed Members of the suspension of the March 2012 and June 2012 delivery months in the Long Gilt Futures Contract and associated Options expiry months, pending a review of the Contract Specifications in response to an announcement by the Bank of England concerning its intention to introduce a new round of quantitative easing.
2. The Exchange's principal concern in undertaking the review was to ensure that relevant changes were effected so that the Contract Specifications most appropriately reflected developments in the underlying Gilt Market; this will be a continuing activity for the Exchange.
3. This Notice informs Members that, following consultation with the market and the UK Debt Management Office, the March 2012 delivery month of the Long Gilt Futures Contract, and associated Options expiry month, will be reinstated on and from Wednesday 19 October 2011, based on a Notional Coupon of 4%, revised downwards from the current 6%.
4. The June 2012 delivery month shall remain suspended pending further consultation with the market.
5. London Notice No. 3468, issued on 7 July 2011, informed Members that Deliverable Gilts capable of being included in a valid Seller's Delivery Notice in the Long Gilt Futures Contract must bear interest at a single fixed rate (coupon) which falls within a $\pm 3\%$ range of the Notional Coupon ("Coupon Range"). Accordingly, the Coupon Range for the Long Gilt Futures Contract shall become $\geq 1\%$ and $\leq 7\%$.

Web site: www.nyx.com/liffe

The **Euronext Derivatives Markets** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

6. The changes to the Notional Coupon and Coupon Range in the Long Gilt Futures Contract shall take effect in respect of the March 2012 delivery month and, subject to further consultation with the market, from the June 2012 delivery month onwards. An updated version of the full legal Contract Specification is available on the NYSE Euronext website www.nyx.com/liffe.
7. No changes shall be made to the December 2011 delivery month of the Long Gilt Futures Contract.
8. An updated Initial List of Deliverable Gilts, including revised Price Factors in the Long Gilt Futures Contract for the March 2012 delivery month is contained in the Attachment to this Notice.
9. Lists of Deliverable Gilts for all delivery months in the Long, Medium and Short Gilt Futures Contracts, as updated from time to time, are available on the NYSE Euronext website www.nyx.com/liffe.

For further information in relation to this Notice, Members should contact:

Fixed Income Derivatives

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INITIAL LIST OF DELIVERABLE GILTS

Attachment to London Notice No. 3513

LONG GILT CONTRACT (4% COUPON) - PRICE FACTORS AND ACCRUED INTEREST**DELIVERY MONTH: MARCH 2012**

<u>GILT ISIN* CODE</u>	<u>COUPON</u>	<u>REDEMPTION</u>	<u>PRICE FACTOR</u>	<u>DAILY ACCRUED</u>	<u>INITIAL ACCRUED</u>	<u>MARCH 2012 DELIVERY DAYS</u>
GB00B4RMG977	3.75	7 Sep 2021	0.9803802	10.302198 10.190217	-72.115385 -71.331522	12--567 89--23456--90123--67890-
GB00B3KJDQ49	4.00	7 Mar 2022	1.0000067	10.989011 10.869565	-76.923077 -76.086957	12--567 89--23456--90123--67890-

Key:
Price Factor: *International Securities Identification Number
Daily Accrued: price factor expressed as a fraction of par.
Initial Accrued: accrued interest per day on £100,000 face value.
Delivery Days: accrued interest on £100,000 face value as of the last day of the month prior to the delivery month.
- = non business day.

Invoicing Amount: $(1000 \times \text{EDSP} \times \text{Price Factor}) + \text{Initial Accrued} + (\text{Daily Accrued} \times \text{Delivery Day in Month})$

Gilts issued subsequent to publication of the Initial list and until ten business days prior to the First Notice Day that meet the contract standard will potentially be included in the final List of Deliverable Gilts.

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