

Industry discussion regarding US-Dollar AXI & FXI

Implementation of IOSCO-aligned credit-spread reference benchmarks for SOFR

Host: H. Rodgin Cohen, Senior Chair, Sullivan & Cromwell LLP
Date: Thursday, January 30th, 2025
Time: 9:30am – 10:30am EST
Suggested duration: 1 hour
Format: Video conference with dial in
Guidelines: Chatham House Rule

Agenda

1. Introduction

- Welcome remarks and introduction
- Standard disclaimer for industry calls
- Participants announce their attendance
- What suggests a role for AXI and FXI?
- IBM Promontory opinion regarding implementation of IOSCO Principles

2. How should AXI and FXI be applied in the cash and derivatives markets?

- Who are the likely cash and derivatives market participants, and what would be their primary risk management or investment motives?
- Is it best to aim for swaps, futures, or both?

3. How can AXI and FXI be used by buy-side market participants?

- Who are the potential buy-side market participants, and what are likely investment and risk management use cases?

4. Meeting close

Meeting materials

- User's Guide to AXI & FXI: https://sofracademy.com/wp-content/uploads/2024/11/A-Users-Guide-to-AXI-and-FXI-NOVEMBER-2024_PUBLISHED.pdf
- Letter to Regulators: https://sofracademy.com/wp-content/uploads/2024/11/Letter-to-FRB-OCC-FDIC-regarding-USD-AXI-and-USD-FXI_SENT.pdf
- IBM case study: <https://www.ibm.com/case-studies/sofr>
- Berndt, Duffie & Zhu (2023): <https://onlinelibrary.wiley.com/doi/full/10.1111/fmii.12172>
- Cooperman, Duffie, Luck, Wang & Yang (2023): https://www.nber.org/system/files/working_papers/w30907/w30907.pdf