

ISDA Tranche Working Group: Roll Convention

On September 19, 2012 the ISDA Tranche Working Group met to discuss the upcoming IG.19 and HY.19 roll. Highlighted below are the determinations which were made during that meeting.

Roll Date:

It was agreed to have the IG roll on September 27th and High Yield on October 4th. For consistency, on a going forward basis, firms were asked if they were comfortable with making it standard to have a Tranche roll one week after the index roll. All firms agreed that this should be treated as standard market practice going forward.

Tranche points:

Firms took a vote on whether to retain the existing points or make amendments. All firms agreed to retain the existing:

- IG: 0-3,3-7,7-15,15-100
- HY: 0-15, 15-25, 25-35, 35-100

Tranche coupons:

Firms also voted to retain the existing coupons:

- IG: 500bps, 100bps, 100bps, 25bps
- HY: 500bps