

Risk News: Exchanges

Liffe lists JP Morgan index future on Bclear

4 September - JP Morgan and London-based derivatives exchange Liffe are pairing to launch a bespoke index future on Liffe's Bclear platform on September 10.

The future will be referenced to an index that seeks to profit from initial public offerings (IPOs) and corporate spin-offs. The JP Morgan IpoX Europe 50 Index consists of the top 50 European equities that have been involved in an initial public offering or a spin-off on a European stock exchange over the past 1,000 trading days. It is calculated by Standard and Poor's and was designed by Chicago-based IPO research firm IpoX Schuster.

It is the first time a bespoke index has been listed on Liffe's Bclear platform, which offers exchange-like clearing services for standardised over-the-counter derivatives trades.

JP Morgan already offers liquidity in the underlying index in the OTC market. It said it had been working with Liffe since February to bring the future to Bclear. Lucia Pelliccioli, London-based executive director, explained: "We and our competitors have been very successful in marketing non-traditional investments to clients. Some of them have a strong preference for listed instruments."

She added that the new contract was the first step in offering the bank's bespoke indexes to clients who wished to trade centrally cleared investments through Bclear, and that more would follow.

Meanwhile, Liffe said it was looking to develop Bclear further by adding more derivatives based on bespoke indexes from JP Morgan and other member firms. At the moment, the system works with futures and options on European and US stocks and indexes, along with variance futures on some European stock indexes.

Mark Pengelly