

Hot topics:

As of April 1st, UK LIBOR cannot be used in any products that mature after year-end:

<https://iflinsight.com/articles/658/sterling-libor-market-stands-ready-as-q1-deadline-hits>



No SOR swaps will be allowed after the end of Q3. This despite the fact that USD LIBOR, which SOR depends on, will persist until June, 2023.

<https://www.risk.net/derivatives/7817781/singapore-rates-committee-says-no-new-sor-swaps-post-september>



No JPY LIBOR swaps will be allowed after the end of Q3.

[Dealers applaud proposal to halt yen Libor swaps after Q3 - Risk.net](#)

New issuance and trading:

The ARRC is encouraging the use of 30 day SOFR in newly issued ABS and MBS:

[ARRC touts use of 30-day average SOFR for new-issue ABS, MBS | Asset Securitization Report \(americanbanker.com\)](#)



StoneX Markets LLC purportedly has SOFR Swaps. Its initial post on LinkedIn had a bad file attachment. The attachment has now been fixed:

<https://lnkd.in/dbbSidX>

Legal :



A revision to hardwired language was issued:

<https://www.lexology.com/library/detail.aspx?g=bd028863-f350-428a-84c9-6e0c82984745>



An analysis of the NY State LIBOR law, and next steps:

<https://www.jdsupra.com/legalnews/ny-libor-transition-legislation-can-we-5252869/>



A good summary of how the NY State LIBOR bill affects legacy contracts is below. The source is Mondaq, but reading the article is impossible to read because of a popup. Dismissing the popup kicks you out of the article.

Type of Contract	Amendments Required?
Contract including ARRC-Recommended Hardwired Fallback USD LIBOR Discontinuation Language	No amendments necessary. NY LIBOR Transition Legislation will <i>not</i> apply
New York law contract without any fallback USD LIBOR Discontinuation Language	No amendments necessary. NY LIBOR Transition Legislation will apply
New York law contract with fallback or market disruption provision falling back to a LIBOR-based rate	No amendments necessary. NY LIBOR Transition Legislation will apply
New York law contract with market disruption provision or fallback to a benchmark replacement <i>not</i> based on LIBOR, such as the base rate or federal funds rate	Amendments to be considered unless parties are in agreement that existing fallback provisions are commercially acceptable. NY LIBOR Transition Legislation will <i>not</i> apply
All other fallback language (including amendment USD LIBOR discontinuation fallback language) in contract that is <i>not</i> governed by New York law	Yes – amendments necessary before January 1, 2022 or July 1, 2023 (as applicable) to replace USD LIBOR with a benchmark replacement
No fallback or market disruption language in contract that is <i>not</i> governed by New York law	Yes – amendments necessary before January 1, 2022 or July 1, 2023 (as applicable) to replace USD LIBOR with a benchmark replacement

Central banks and regulators:

The ARRC published its approach for securitized products:

<https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/20210326-arrc-press-release-sofr-in-new-abs-products>



The FMSB issued appropriate use cases for term SONIA:

<https://www.regulationasia.com/fmsb-issues-draft-standard-on-appropriate-use-of-term-sonia/>



No new UK LIBOR loans should be issued. The April 1st deadline has passed:

[Killing Off Libor Gets Real for Banks on Key Milestone Date - Bloomberg](#)

Local area talks, webinars, podcasts etc.:

Bloomberg's BSBY will be discussed on Thursday, April 8th at 10 AM ET. (Apologies, I misstated last week that the talk was March 31st. That was a "BBQ," meaning Bloomberg's regular quant seminar.)

Claira Technologies will be co-hosting a LIBOR discussion with Houlihan Lockey and Ares Management on Tuesday, April 13th. However, the announcement stated start time is 1:00 PM EST. The add-to-calendar appointment start time is 1:00 PM EDT. At this writing, no Clairafication has been received.

Academic and Trade literature:

☆ The Global Financial Markets Association laid an egg in releasing an update that did not take into account the key March 5, 2021 announcements:

<https://bit.ly/3sHMZNO>

✧ KPMG India posted an “IBOR to RFR” transition paper on LinkedIn, but did not give an actual link to an article.

✧ An article on replacement rates for LIBOR seems to have missed the March 5, 2021 extension of USD LIBOR to 6/30/2023:

<https://sprou.tt/1Z9hcmVvMll>

ABC Rates (Ameribor, Bank Yield Index, and Constant Maturity Treasury) etc.:

✧✧ SOFR Academy has reached an agreement to publish AXI, the USD across-the-curve spread produced by Stanford and the Australia National University. If it can be shown that SOFR (mat) + AXI historically would have been close to LIBOR (mat), for a given maturity, then this index is useful. Having said that, there are multiple ways to compute SOFR maturities, including two different ways of compounding, even without a credit spread. Compounding with a spread, furthermore, can be done several different ways. And then there is the issue of how this is being done for the hedging instrument.

[SOFR Academy Announces Its Intention to Publish the Across-the-Curve Credit Spread Index \(AXI\), to Assist the Market With U.S. Dollar LIBOR Transition | Business Wire](#)

✧ BSBY is incorrectly described in a Bloomberg press release as a “supplement to SOFR,” implying that it is an additive correction. It is not. It is meant to be used as an alternative to SOFR.

[Bloomberg Launches Short Term Credit Sensitive Index to Support IBOR Transition | Press | Bloomberg L.P.](#)

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