



U.S. Dollar Index Futures

FAQ

March 2008

What is the US Dollar Index®?

The US Dollar Index (USD[®]) is a geometrically-averaged calculation of six currencies weighted against the US dollar. The US Dollar Index has been in existence since 1973. The 1971 Smithsonian Agreement ended the fixed exchange rates that had been set at Bretton Woods in 1944, and the US Federal Reserve Bank began the calculation of the US Dollar Index to provide an external bilateral trade-weighted average of the US dollar as it freely floated against global currencies.

When did the USD[®] become available for exchange trading?

Futures contracts were listed on ICE Futures U.S. FINEX[®] currency division on November 20, 1985. Options on the futures contracts began trading September 3, 1986.

What is the contract symbol for the US Dollar Index?

ICE Futures U.S.'s symbol for the contract is DX, followed by the month and year code. The US Dollar Index is commonly referred to as the USD[®]. The value of the underlying Dollar Index (sometimes called the cash or spot index) is typically disseminated under the symbol DXY, although different data providers may use different symbols. A list of the data vendor symbols for the US Dollar Index is available at www.theice.com.

Which currencies are included in the US Dollar Index?

The US Dollar Index contains six component currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss franc. Originally the USD[®] contained ten currencies—the ones listed, with the exception of the euro. The euro replaced the West German mark, French franc, Italian lira, Dutch guilder and Belgium franc.

What are the formula and the percentage weights of the component currencies?

The formula for the calculation of the US Dollar Index is 50.14348112 multiplied by the product of all components raised to an exponent equal to the % weighting ((EURUSD ^ 0.576) * (JPY ^ 0.136) * (GBP ^ 0.119) * (CAN ^ 0.091) * (SEK ^ 0.042) * (CHF ^ 0.036))

The formula is available on www.theice.com

Currency Weights

Euro = 57.6%	Canadian Dollar = 9.1%
Japanese Yen = 13.6%	Sweden Krona = 4.2%
British Pound = 11.9%	Swiss Franc = 3.6%

Is the ICE Futures U.S. US Dollar Index adjusted or rebalanced?

The USD[®] has only been adjusted once, when the euro was introduced as the common currency for the European Union (EU) bloc of countries. Without any other adjustments, the combination of components and their respective weightings in the USD[®] have yielded performance results similar to other commonly used US dollar indexes, whether those index methodologies are based on trade weights or capital flow weights.

How is the US Dollar Index calculated?

The ICE Futures U.S. US Dollar Index is calculated in real time from a multi-contributor feed of the spot prices of the Index's component currencies from a major data vendor. This real-time calculation is delivered to the Exchange and redistributed to all data vendors. The prices of the DX futures contracts are set by the market, and reflect interest rate differentials between the respective currencies and the US dollar.

Given the foreign exchange market is a 24-hour marketplace, can I trade the US Dollar Index contracts at any time?

The DX futures contracts will trade electronically on the Intercontinental Exchange electronic trading platform from 8:00 pm – 6:00 pm. Eastern time Sunday through Friday, with trading ending at 6:00 p.m. on Friday afternoon. Trading in DX futures rates may be accessed through WebICEsm or through multiple

independent software vendors (ISVs). DX contracts are also traded via open outcry on ICE Futures U.S.'s New York or Dublin trading floors; please visit ICE Futures U.S.'s website for details of the open outcry trading hours https://www.theice.com/publicdocs/nybot/ICE_Dollar_Index_Contract_Specs.pdf

Exchange rules allow for EFP trades to be executed off the floor. If an EFP is executed when the trading floor is open, the futures leg of the EFP must be posted to the Exchange within two minutes of the execution. If the trading floor is closed, the EFP must be posted immediately on the open of the next trading session. EFPs can be entered by a clearing member either directly into the Exchange's Trade Information Processing System (TIPS[®]) or through the services of a ICE Futures U.S. trading floor member.

How does the market trade the performance of the US dollar now? Why is the ICE Futures U.S. US Dollar futures contract a better choice?

Institutional investors, hedge fund managers, commodity trading advisors and high net worth investors all trade variations of US dollar indexes with commercial and investment banks. These various formulations of dollar indexes are proprietary indexes and do not offer the price discovery and transparency of an exchange-listed contract. The ICE Futures U.S. DX futures contract is the only successful, publicly-available, regulated market for US Dollar Index trading allowing access to all investors and offering competitive pricing and full market liquidity.

What are the contract specifications of the US Dollar Index futures contract?

The DX contract is settled quarterly. Unlike many index contracts, the US Dollar Index contract is settled by the delivery of its six component currencies. The contract size is \$1,000 times the index value—e.g., with the Index at 89.45, the value of the contract is \$89,450. Each full Index point is worth \$1000 (1.00=\$1000). The smallest price increment for trading in the US Dollar Index futures contract is .005, which is worth \$5.

The futures contracts are listed for the March/June/September/December quarterly cycle. The futures contracts settle daily to the volume-weighted average price of all transactions executed both in open outcry and electronic trading in the closing period (2:59 – 3:00 p.m. Eastern time).

The quarterly settlement at the expiration of the contract is on the third Wednesday of the contract month. The last day of trading is the two business days prior to the third Wednesday of the contract month, and trading ends at 10:16 am Eastern time on the last trading day.

Full contract specifications for the US Dollar Index futures contracts are available at https://www.theice.com/publicdocs/nybot/ICE_Dollar_Index_Contract_Specs.pdf

Are options on US Dollar Index futures available for electronic trading?

Options on US Dollar Index futures are not currently available for electronic trading.

How is the US Dollar Index contract settled at its expiration?

Unlike many index futures contracts, the US Dollar Index futures contract is a physically delivered contract. The contract settles by physical delivery of the Index's six component currencies in the percentages indicated in the composition of the Index. (see above, percentages and weights of component currencies)

Are the DX contracts liquid?

The USDX futures contract derives its liquidity directly from the spot currency market, estimated to have turnover of over \$2 trillion daily. There will be a market maker program in place for the launch of electronic trading of the contracts, which should help to assure continuous liquidity. The electronic distribution of the futures contract on the ICE trading platform should also enhance liquidity.

Can I trade calendar spreads? How far out will the contract list? Will there be implied prices?

ICE Futures U.S. will list all combination of the first four quarterly contracts of US Dollar Index futures as calendar spreads, with all spread prices being fully implied.

Can I get real time prices from quote vendors?

The real-time prices for the futures contracts will be available WebICE, on conformed independent software vendor solutions. (see https://www.theice.com/publicdocs/technology/Independent_Software_Vendors_Conformance.pdf), from market data vendors (https://www.theice.com/data_vendor_matrix.jhtml) and on direct access users systems.

Where can I find margin information for the USDX futures contract? Are there margin offsets against other ICE Futures U.S. futures contracts?

Margin levels are subject to change. The contract is cleared by ICE Clear U.S. (prior to June 1, 2007, known as the New York Clearing Corporation). You can check the most current margin requirement by visiting https://www.theice.com/publicdocs/futures_us_reports/all/Futures_US_Margin_Requirements.pdf.

Margin credit is available for spread positions between the U.S. Dollar Index and the Euro currency contract traded on ICE Futures U.S. Please see https://www.theice.com/publicdocs/futures_us_reports/all/Futures_US_Margin_Requirements.pdf for further information on the credit for this intra-market spread

What regulatory body has oversight responsibility for trading in the US Dollar Index contract?

ICE Futures U.S. is a designated contract market (DCM), as defined by the US Commodity Exchange Act. ICE Futures U.S. and its contracts are regulated by the US Commodity Futures Trading Commission (CFTC).

What are the exchange fees for trading US Dollar Index futures contracts?

The fee for screen transactions is \$1.35 per contract per side for non-members. Please see https://www.theice.com/publicdocs/futures_us/NYBOT_Exchange_and_Clearing_Fees.pdf for transaction fees for other categories of market participants. There is no additional charge for EFPs.

Who can provide further information?

Your usual ICE account manager can provide additional information and assistance in accessing electronic trading in the USDX futures contract on the ICE platform. Other contacts are provided below.

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