Commodity Single Index and Multi-Exotic Templates

Question: When should Commodity Multi-Exotic and Commodity Single Index product templates be used?

Answer: As agreed by members of the DSB Commodities Taskforce, Commodity Multi-Exotic Templates should be used where an underlying index or reference rate spans multiple commodity types (as defined by the CFI standard). Similarly, Commodity Single Index Templates should be used when the underlying reference rate and/or index is based on a single commodity type.

1. Commodity Single Index Templates

The DSB provides support for the following product templates for Commodity Single Index instruments:

a. Commodity / Swap / Single_Index

b. Commodity / Option / Single_Index

c. Commodity / Forward / Single_Index

These templates are intended to be used where the product has the following characteristics:

a. The product can be classified under one asset-specific Base Product (e.g.: Energy, Agriculture, Freight, Other etc.) using the values defined in ISO 20022.

b. The product is based on a single underlying Index – either an Instrument Index or Proprietary Index.

It should be noted that a Base Product of MCEX (Multi-Exotic Commodity) will not be supported for the above products.

The CFI Code for the resultant Commodity Single Index record will always have the Underlying Asset (character 3) set to "I" (Index):

a. Single_Index Swap: STI*X*

b. Single_Index Option: HTI***

c. Single_Index Forward: JTIX**

2. Commodity Multi-Exotic Templates

The DSB provides support for the following product templates for Commodity Multi-Exotic instruments:

a. Commodity / Swap / Multi_Exotic_Swap

b. Commodity / Option / Multi_Exotic_Option

c. Commodity / Forward / Multi_Exotic_Forward

These templates are intended to be used where the product has one or more of the following characteristics:

a. The product cannot be classified under a single asset-specific base product and so it qualifies as a Multi-Exotic Commodity (MCEX)

b. The product is based on multiple underlying assets (Prop Index, Listed Index and/or Reference Rate)

Please note that the CFI Code (3rd Letter / Underlying Asset) can vary depending upon the values input by the ISIN requestor and the selected instrument type (Swap, Option, Forward).

Version	Author	Date	Description
1	DSB Secretariat	20 May 2019	Initial Document