Проект МБ и EBS по совместному фиксингу курса «рубль/доллар» как альтернативе индикатору EMTA отложен из-за разногласий между сторонами

MOEX-EBS plan for ruble-dollar fix withers

Plans for new USD/RUB benchmark fall flat.

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EM benchmark concerns remain as EBS and Moex fail to agree on terms for USD/RUB fixing after two years of talks

Plans to launch a USD/RUB benchmark, jointly calculated and published by the Moscow Exchange (Moex) and electronic trading platform EBS, have fallen flat after the two sides failed to agree on terms after two years of negotiations.

This comes amid widespread regulatory attention on benchmarks, and as authorities and market participants grow increasingly concerned about the integrity of existing benchmarks in both developed and emerging markets (EM) currencies.

"We've decided to postpone the launch of a joint Moex-EBS RUB fixing. [There are] no ideas at the moment [about] how and when it can happen. We're focusing on the development of [the] Moex FX Fixing. It's already used in our FX futures and some other exchanges are interested in it," said Igor Marich, head of money markets at Moex in Moscow, in a written response to FX Week.  
Moex has now pushed ahead with its own independent benchmark.

EBS originally unveiled plans for a USD/RUB reference rate in partnership with Moex in April 2013 at the biennial International Ruble Settlement Forum, in response to concerns about the incumbent benchmark for the currency pair provided by CME and the Emerging Markets Traders Association (Emta).

But, following initial enthusiasm for the project from both sides, talks stalled. The process became riddled with delays and eventually fizzled out. Issues originally arose over which company would operate as the fixing agent.

Moex is understood to have felt uncomfortable with allowing the information services arm of EBS's parent company, ICAP, to take data from both EBS and Moex to calculate the reference rate using an algorithm. ICAP Information Services also suggested charging a 2% revenue fee to EBS and Moex – a procedure understood to be standard practice in benchmark arrangements.

The two parties initially overcame their differences to develop an operational reference rate for the currency pair, although these rates have never been officially published. Although it was suggested to use alternative fixing agents to overcome the deadlock, the project fell through, despite other proposed joint initiatives such as a EUR/RUB reference rate. EBS declined to comment.

This setback raises further questions about the continuing use of the CME-Emta reference rate. In June, industry participants, including ACI Russia and CME, were looking to put pressure on Emta to change the methodology used to calculate the fixing; however, there has been little progress, according to ACI Russia president Sergey Romanchuk.

The CME/Emta fixing is written into all USD/RUB non-deliverable forward contracts by International Swaps and Derivatives Association (Isda) agreements, making it hard for a new benchmark to gain popularity. Neither CME nor Emta were available for comment.

Concerns have been raised by a range of market participants about the robustness of EM benchmarks, with one former spot trader at a major European bank telling FX Week that they can be subject to manipulation. Others voiced worries about the state of EM benchmarks during the latest Financial Stability Board consultation on FX benchmarks.

"There is another category of FX benchmarks whose construction merits some attention, namely the ‘NDF [non-deliverable forward] spot-fixing rates' used in settling NDF contracts. Such rates are frequently specific to and set in each local market, with a range of practices governing their determination. More transparency on how these rates are determined would be beneficial to the market," states feedback submitted by Windsor, UK-based Record Currency Management.