



SARON

Swiss Average Rate Overnight

The Swiss Franc Benchmark

SARON represents the overnight interest rate of the secured money market for Swiss franc (CHF). It is based on transactions and quotes posted in the Swiss repo market, a pivotal part of the Swiss Value Chain.

Internationally, there is a consensus that financial benchmarks need to be resilient and reliable. Repo markets, in their role as the backbone of the financial industry and central bank activity, are the obvious choice. They are liquid, highly regulated and of high integrity. The National Working Group on Swiss franc reference rates which leads efforts to reform benchmark interest rates, has recommended SARON as the alternative for CHF LIBOR.

Representative Market

SARON is a reference rate reflecting both concluded transactions and binding quotes of the underlying Swiss repo market while its methodology ensures robustness and reliability. The market is under the surveillance of SIX Exchange Regulation and is regulated under the Swiss Financial Market Infrastructure Act (FMIA) as a multilateral trading facility. Between 2017 and 2019 the average daily trade volume was around CHF 3.3 billion.

Risk-neutral Reference Rate

Based on data from the secured money market, SARON can be used for different financial market instruments but it is particularly suitable for secured loans due to the negligible counterparty and liquidity risks. As a risk-neutral benchmark, SARON shows considerably lower volatility to changes in bank confidence levels and during turbulent phases compared to a reference rate based

Advantages at a Glance

- Representative reference rate of the Swiss money market
- Based on data from the Swiss repo market
- Negligible counterparty and liquidity risks
- Calculated on concluded transactions and binding quotes posted on a regulated trading platform
- Use of a trade and quote filter to minimize manipulation
- Rule-based calculation in accordance with index regulations, which are open to the public
- Index data can be obtained via all standard data vendors or directly from SIX. Historical data is available free of charge
- Compliant with international benchmark standards
- Swiss Reference Rates Index Commission is selected to represent a variety of viewpoints and acts as an advisory board
- Clearing of SARON swaps is offered by major clearing houses

on the unsecured money market. For the use of interest rate swaps, this is of course an essential advantage. Major clearing houses offer to clear swaps based on SARON.

Calculation and Publication

SARON is based on concluded transactions and trade quotes posted on the SIX Repo trading platform, provided they lie within the parameters of the trade and quote filter. The parameters of the two filters are set to minimize the possibilities for manipulation. SARON is continually calculated in real time and published every ten minutes. In addition, a fixing is conducted three times a day at 12 pm, 4 pm and 6 pm. The 6 pm fixing serves as a reference reading for derivative financial products and the valuation of financial assets.

SARON Compound Rates and Indices

SARON is an overnight rate and applies to the upcoming overnight period. The Day-Count convention for SARON is ACT/360. In addition and to support market participants that are typically engaged in longer term contracts, SARON Compound Rates and Indices for pre-defined time periods in arrears beyond the overnight tenor are provided. These SARON Compound Rates and Indices support the market for benchmarking and for the determination of the observation period of a compounded SARON in financial

products like mortgages, deposits, bonds, floating rate notes, overnight indexed swaps and futures.

Licensing

SARON is part of an index data package comprising all Swiss Reference Rates calculated by SIX. This data package can be obtained on the website of SIX and via Data Vendors (e.g. SIX, Bloomberg, Refinitiv). Historical data does not require a license and is publicly available. Intra-day and end of day data (e.g. Fixings) not older than 24 hours are subject to licensing.

Governance and Regulation

In 2017, SIX established an Index Commission for Swiss Reference Rates that advises in all matters related to them. SIX is committed to the IOSCO Principles for Financial Benchmarks and SARON is approved under EU Benchmark Regulation. The administration of the Swiss Reference Rates is in compliance with the recommendations and requirements set forth in these regulations. This also ensures the international use of the SIX benchmarks for customers and financial service providers.

Quick Facts

SARON	Swiss Average Rate Overnight
ISIN	CH0049613687
Bloomberg-/Refinitiv-Ticker	SSARON/SARON.S
Definition	Volume-weighted average interest rate
Calendar	CHF Currency Holiday Calendar
Fixing-Time	12 pm 4 pm 6 pm
Fixings	SRFXON1 SRFXON2 SRFXON3
Day Count Convention	ACT/360
Futures	Eurex: FSO3 ICE: SA3
Clearing	CME, EUREX, LCH
Historical data since	30.06.1999
Introduction	25.08.2009
Publication start	Daily at 8:30 a.m.
Publication interval	Every 10 minutes

Name	ISIN	Symbol	Currency
SARON 1 week Compound Index	CH0599147359	SARO1WI	CHF
SARON 1 month Compound Index	CH0599147292	SARO1MI	CHF
SARON 2 months Compound Index	CH0599147300	SARO2MI	CHF
SARON 3 months Compound Index	CH0572109855	SARO3MI	CHF
SARON 6 months Compound Index	CH0599147318	SARO6MI	CHF
SARON 9 months Compound Index	CH0599147326	SARO9MI	CHF
SARON 12 months Compound Index	CH0599147334	SARO12MI	CHF
SARON 1 week Compound Rate	CH0599147342	SAR1WC	CHF
SARON 1 month Compound Rate	CH0477123886	SAR1MC	CHF
SARON 1 IMM Compound Rate	CH0477123860	SAR1IMMC	CHF
SARON 2 months Compound Rate	CH0477123894	SAR2MC	CHF
SARON 3 months Compound Rate	CH0477123902	SAR3MC	CHF
SARON 3 IMM Compound Rate	CH0477123878	SAR3IMMC	CHF
SARON 6 months Compound Rate	CH0477123910	SAR6MC	CHF
SARON 9 months Compound Rate	CH0477123928	SAR9MC	CHF
SARON 12 months Compound Rate	CH0477123936	SAR12MC	CHF

Please visit our website for further information: www.six-group.com/saron.

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SIX
Pfungstweidstrasse 110
P. O. Box
CH-8021 Zurich
www.six-group.com/indices

Business Support
Index Sales, Licensing and Data
T +41 58 399 2600
indexdata@six-group.com

Technical Support
Index Operations
T +41 58 399 2229
indexsupport@six-group.com