

# 3 Year Treasury Bond Futures Minimum Price Increment ('Tick') Change Customer Testing Guidelines

May 2025

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## 1. Purpose

The purpose of this document is to provide guidance for participants and vendors when testing functionality in their systems for the reversion of the minimum price increment ('tick' size) for the 3 Year Treasury Bond Futures contract to 0.005% or 0.5 basis points, from 0.01% or 1 basis point.

However, please consider if additional testing may be necessary for your specific system(s) to ensure readiness.

## 2. Pre-requisite or dependencies

Participants should ensure the following are complete prior to trading:

Pre-requisites or dependencies
Set Pre-Trade Risk limits (PTRM) in ASX 24 Admin and Risk Terminal (ART)
Trading Protection Limits (TPL) configuration optional but strongly encouraged
Minimum price increments reflect what is outlined in table 1

## 3. Out of scope

Out of scope items
Options over 3 Year Treasury Bond Futures (Ordinary, Serial, Intraday, and Overnight)
Pre-negotiation

## 4. Contract set up

Contract set up
The existing 3 Year Treasury Bond Futures (YT) will update to have the new minimum price increment (0.005 per cent) across all settlement (expiry) months in the test environments (CDE/CDE+), commencing 30 May 2025 at the commencement of the night session (Trade Date 2 June 2025) and will therefore temporarily not align with the production environment.
Vendors are advised that the minimum price increment for contract codes / spreads listed in table 1 should match those displayed in their systems.

## 5. Related Documents

Document Name	Link
Consultation	<a href="https://www.asxonline.com/public/notices/2024/september/1024.24.09.html">https://www.asxonline.com/public/notices/2024/september/1024.24.09.html</a>
Market Notice of Change	<a href="https://www.asxonline.com/public/notices/2025/march/0281.25.03.html">https://www.asxonline.com/public/notices/2025/march/0281.25.03.html</a>

## 6. Functional Testing Guidelines

ID#	Participant Type	Activity Name	Description / Steps	Expected Outcome
1.	Trading Participant / Vendor	Minimum price increment in the outright Futures	Can you process and display the 3 Year Treasury Bond Futures with a 0.005 per cent minimum price increment?	You can see prices of all expiries and/or are able to enter orders, eg. YTM5, YTU5, of the outright 3 Year Treasury Bond Futures to three decimal places at 0.005 increments.
2.	Trading Participant / Vendor	Intra-spread configuration (calendar spread)	Can you see the calendar spread, available for trading at the correct minimum price increment?	Outside the bond roll, eg. Jun 25 to Sep 25 or Sep 25 to Dec 25, you can see prices and/or are able to enter orders at a 0.005 increment. During the bond roll (from 5.10pm 9 <sup>th</sup> June 2025 to 5.10pm 16 <sup>th</sup> June 2025), you can see prices and/or are able to enter orders at a 0.002 increment.
3.	Trading Participant / Vendor	Inter-spread configuration (inter-commodity spread)	Can you see the inter-commodity spreads, available at the correct minimum price increment?	You can see prices and/or are able to enter orders at the relevant minimum price increments for each inter-spread, outlined in Table 1.
4.	Trading Participant	Off-market Trades <i>(optional) (CDE only)</i>	Can you book an off-market trade in TradeAccept for the 3 Year Treasury Bond Future at the 0.005 per cent price increment?	You can book an off-market trade (Block or EFP) via TradeAccept with a price at a multiple of 0.005 per cent. Eg. YTM5 at 96.585.
5.	Clearing Participant	Clearing Systems Support	Do your clearing system(s) support trades for clearing at the correct minimum price increment?	Your clearing system(s) can support clearing of trades at the relevant minimum price increments outlined in Table 1.

## 7. Table 1. Minimum Price Increments by Contract

Contract	Commodity Code	Minimum Price ('Tick') Increment (per cent)
3 Year Treasury Bond Futures	YT Eg. YTM5, YTU5	0.005*
Calendar Spread – 3 Year Treasury Bond Futures	YT/YT Eg. YTM5U5 (until 16 <sup>th</sup> June 2025), YTU5Z5 (from 17 <sup>th</sup> June 2025)	0.005*  (except during the roll period, commencing 5.10pm 9 <sup>th</sup> June 2025 and ending 5.10pm 16 <sup>th</sup> June 2025, when the minimum price increment will be 0.002)
Inter-Commodity Spread – 90 Day Bank Accepted Bill Futures / 3 Year Treasury Bond Futures	IR/YT Eg. IRM5YTM5	0.005*

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Contract	Commodity Code	Minimum Price ('Tick') Increment (per cent)
Inter-Commodity Spread – 3 Year Treasury Bond Futures / 5 Year Treasury Bond Futures	YT/VT Eg. YTM5VTM5	0.005
Inter-Commodity Spread – 3 Year Treasury Bond Futures / 10 Year Treasury Bond Futures	YT/XT Eg. YTM5XTM5	0.005
Inter-Commodity Spread – 3 Year Treasury Bond Futures / 20 Year Treasury Bond Futures	YT/LT Eg. YTM5LTM5	0.005

\*Note that the current minimum price increment is 0.01

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