

## Short End listed option language explainer

Listed fixed income options is a world unto itself. From a naming convention that uses the month after the option expires to colour coding, “mid curves”, apparent inconsistencies and a changing, complex underlying it can be tricky to navigate. Here I’ll attempt to break it down.

### Naming

#### Short End and Long End

The names are derived from the part of the yield curve that is generally the main factor in setting their price - the near dated/short end or the long-dated/long end. The short end is a money market three month forward and the long end is based on the value of government bonds from 2 to 30 years - hence the Short and Long.

#### Short End options

The options are used to predict what the view of interest rates will be at some time in the future. The options can expire into the nearest next quarterly future or can expire into the next nearest quarterly future in 1,2,3 or four years' time.

Examples:

- An option that expires in 3 months into a future that expires on the same day.
- An option that expires in 3 months into a future that expires 2 years after the option.

### Language

Below you will find the language and codes that are used to describe the different underlying’s and options - some of which we use in our pricing indications and flow.

#### Euribor Option Expiry convention

Underlying expiry	Bloomberg Code	Option Expiry	Exchange code	Bloomberg Code	Option terminology
White (March 22)	ERF2	Jan 22	I.L	ERF2	White
White (March 22)	ERG2	Feb 22	I.L	ERG2	White
White (March 22)	ERH2	March 22	I.L	ERH2	White
White (June 22)	ERJ2	April 22	I.L	ERJ2	White
White (June 22)	ERK2	May 22	I.L	ERK2	White
White (June 22)	ERM2	June 22	I.L	ERM2	White
White (September	ERU2	September 22	I.L	ERU2	White

22)					
White (December 22)	ERZ2	December 22	I.L	ERZ2	White
Red (March 23)	ERH3	March 23	I.L	ERH3	Red
Red (June 23)	ERM3	June 23	I.L	ERM3	Red
Red (September 23)	ERU3	September 23	I.L	ERU3	Red
Red (December 23)	ERZ3	December 22	I.L	ERZ3	Red
Red (March 23)	ERF3	Jan 22	K.L	ORF3	Mid - Curve
Red (March 23)	ERG3	Feb 22	K.L	ORG3	Mid - Curve
Red (March 23)	ERH3	March 22	K.L	ORH3	Mid - Curve
Red (June 23)	ERJ3	April 22	K.L	ORJ3	Mid - Curve
Red (June 23)	ERK3	May 22	K.L	ORK3	Mid - Curve
Red (June 23)	ERM3	June 22	K.L	ORM3	Mid - Curve
Red (September 23)	ERU3	September 22	K.L	ORU3	Mid - Curve
Red (December 23)	ERZ3	December 22	K.L	ORZ3	Mid - Curve
Green (March 24)	ERF4	Jan 22	K2.L	2RF4	Green
Green (March 24)	ERG4	Feb 22	K2.L	2RG4	Green
Green (March 24)	ERH4	March 22	K2.L	2RH4	Green
Green (June 24)	ERJ4	April 22	K2.L	2RJ4	Green
Green (June 24)	ERK4	May 22	K2.L	2RK4	Green
Green (June 24)	ERM4	June 22	K2.L	2RM4	Green
Green (September 24)	ERU4	September 22	K2.L	2RU4	Green
Green (December 24)	ERZ4	December 22	K2.L	2RZ4	Green
Blue (March 25)	ERF4	Jan 22	K3.L	3RF4	Blue
Blue (March 25)	ERG4	Feb 22	K3.L	3RG4	Blue
Blue (March 25)	ERH4	March 22	K3.L	3RH4	Blue
Blue (June 25)	ERJ4	April 22	K3.L	3RJ4	Blue
Blue (June 25)	ERK4	May 22	K3.L	3RK4	Blue
Blue (June 25)	ERM4	June 22	K3.L	3RM4	Blue
Blue (September 25)	ERU4	September 22	K3.L	3RU4	Blue

25)					
Blue (December 25)	ERZ4	December 22	K3.L	3RZ4	Blue
Gold (March 26)	ERF4	Jan 22	K4.L	4RF4	Gold
Gold (March 26)	ERG4	Feb 22	K4.L	4RG4	Gold
Gold (March 26)	ERH4	March 22	K4.L	4RH4	Gold
Gold (June 26)	ERJ4	April 22	K4.L	4RJ4	Gold
Gold (June 26)	ERK4	May 22	K4.L	4RK4	Gold
Gold (June 26)	ERM4	June 22	K4.L	4RM4	Gold
Gold (September 26)	ERU4	September 22	K4.L	4RU4	Gold
Gold (December 26)	ERZ4	December 22	K4.L	4RZ4	Gold

For more detailed product information please get in touch or read what is on offer on the exchange website.

[Options on Three Month Euribor Futures | ICE](#)

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