Portfolio Valuations | OTC Derivatives
IBOR Impact Analysis

An independent, multi-contributor, validated service providing valuations and impact analysis to help firms with the IBOR transition

As the end of 2021 approaches and a potential cessation of Inter-Bank Offered Rates (IBORs) becomes more imminent, most jurisdictions have taken steps to select and publish new Risk-Free Reference rates (RFRs) to transition away from IBORs.

Assessing the PV impact of switching benchmarks at a trade and portfolio level is one of the most difficult and important aspects of the IBOR transition. Timing, industry standards and nascent liquidity in new markets are adding to the complexity of the task.

Process Overview

Impact Analysis is performed leveraging IHS Markit Portfolio Valuations’ robust OTC derivatives pricing service that has coverage across asset classes. This analysis can be completed on an adhoc basis, or on a regular agreed upon schedule. Below are the steps taken to perform impact analysis for a specific trade or portfolio:

1. Leverage existing trade(s) already submitted to the Portfolio Valuations platform or submit new trade(s)
2. Define rate(s) and/or discounting to be assessed for impact
   a. IHSM will work with customers on customized requests or can share more frequently assessed alternatives
3. The Portfolio Valuations team processes valuations with new terms and performs impact analysis comparison for delivery

For more information on the products and services from IHS Markit, please contact us at sales@ihsmarkit.com