

Capital Markets Indicative Data

ICAP Inflation

Background

The ICAP Inflation Data product provides a comprehensive, broker-sourced view of global inflation-linked markets, combining executable and indicative pricing across swaps, fixings, spreads, and Cap Floor Options.

The product addresses a core challenge in inflation markets: opacity and fragmentation, where pricing is dispersed across instruments, indices, and regions.

It is designed for institutional users, including trading desks, asset managers, and risk teams, who require consistent, high-quality inflation data for hedging, pricing, and analytics.

The dataset is composed of:

- Inflation fixings
- Zero Coupon and Year-on-Year inflation swaps
- Inflation spreads (e.g., IOTAs, asset swaps, butterflies)
- Inflation options (caps/floors)
- Seasonality-adjusted inflation curves ("inflation grid")

Key Benefits

- **Broker-Sourced Pricing from Global Inflation Markets**
Broker-sourced pricing provides a market-grounded view of global inflation-linked markets, combining executable levels with indicative pricing derived from real trading activity across swaps, fixings, spreads, and cap/floor options.
Benefit: Delivers robust, market-aligned benchmarks to support valuation, P&L attribution, and risk management.
- **Full Curve Construction with Seasonality (Inflation Grid)**
The product builds a complete monthly inflation curve using observed indices, swap rates, and seasonality adjustments.
Benefit: Enables accurate forward-looking inflation projections, especially for front-end and seasonal exposures.
- **Comprehensive Instrument Coverage Across the Inflation Package**
Includes swaps (ZC & YoY), fixings, options, asset swaps, and spread structures such as IOTAs.
Benefit: Allows clients to manage inflation risk holistically, across products and strategies.
- **Granular Tenor and Monthly Data**
Provides monthly fixings and long-dated curves (extending out to 50Y-60Y tenors depending on product).
Benefit: Improves precision in valuation, hedging, and curve construction.
- **Options & Volatility Framework**
Inflation options are priced using validated frameworks with robust treatment of tail scenarios.
Benefit: Supports volatility trading, stress testing, and tail risk management.

Update Frequency

Real Time, End-of-Day, Intra-day

Use Cases

- **Inflation Hedging:** Use ZC swaps, YoY swaps, and fixing swaps to hedge exposure to CPI/RPI across different horizons.
- **Curve Construction & Valuation:** Build inflation curves using the inflation grid and seasonality-adjusted fixings for accurate pricing of trades and portfolios.
- **Relative Value / Spread:** IOTAs, asset swaps, and curve butterflies to capture dislocations between inflation swaps and bond breakevens.
- **Volatility & Tail Risk Management:** Use inflation caps/floors and option surfaces to hedge extreme inflation or deflation scenarios.
- **P&L Attribution & Risk Management:** Leverage consistent pricing inputs to explain daily P&L moves and manage sensitivities to inflation curves and seasonality.

Coverage

Regions	Americas	
Geographic & Index Coverage	United States	CPI
	United Kingdom	RPI, CPI
	Eurozone	HICP ex-Tobacco + country-level CPI (France, Germany, Italy, Spain)
	Additional Markets	e.g., Denmark, Australia
Instrument Coverage	Sub-Asset Types	Inflation Fixings Swaps
		Inflation Zero Coupon (ZC) Swaps
		Inflation Year-on-Year (YoY)
		Inflation IOTAs
		Inflation Asset Swaps
		Inflation Butterflies
		Inflation Option Caps and Floors (ZC & YoY)
		Inflation Seasonality Curves

Tenor & Granularity	
Dimension	Coverage
Curve Tenors	~1Y to 50Y–60Y
Fixing Granularity	Monthly (M01–M12)
Seasonal Structures	Full Monthly Seasonality Curves
Historical Depth	Decades of History + Real-time

Get in touch

For further information, please visit us at:

www.parametasolutions.com

Sales: findoutmore@parametasolutions.com

Support: support@parametasolutions.com

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