

May, 14 2012

David A. Stawick
Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: RIN 3038-AD08: Real-Time Public Reporting of Swap Transaction Data (17 CFR Part 43) - Procedures to Establish Appropriate Minimum Block Sizes for Large Notional Off-Facility Swaps and Block Trades

Dear Mr. Stawick

ODEX Group appreciates the opportunity to provide comments to the Commodity Futures Trading Commission (“CFTC” or “Commission”) on the proposed rules related to the procedures to establish appropriate minimum block sizes for large notional off-facility swaps and block trades (“Proposed Rules”), pursuant to section 727 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

We support the Block Trade Rule in general, as it will:

- o Promote liquidity by encouraging liquidity providers to quote large size and not be penalized by the market;
- o Provide protection to the liquidity provider with a time delay, such that it has time to hedge or trade out of block position;
- o Too little time, liquidity provider is hurt, too much time and liquidity provider has ‘inside info.’

The initial proposed threshold at the 67% and 30 minute delay is fair for the initial one year period.

For standard Interest Rate Swaps (IRS) in USD we believe this is on the low side and once data is available the threshold should be raised in subsequent years. ODEX also supports a DV01 model for IRS in the out years.

Question 35a (Federal Register) Market Depth/Market Breath Test – ODEX supports a market depth test in the out years. The following screen shot taken on the 19th Mar 2012 only includes

4 dealers and shows an example of the size of this market in 2year USD IRS: One dealer is prepared to show 400mm on the bid and offer at a 1bp spread. Between the 4 dealers the market is >\$1bn.

ODEX believes that the future threshold levels should take into account Available Liquidity in the market at the time of trade in addition to executed historical trades, by:

- Considers the sum of all bids in market when I am a seller.
- Considers the sum of all offers in market when I am a buyer.

SSWAP2 Index ALLQ		CurncyALLQ				
USD SWAP SEMI 30/360 2YR				Launchpad	All Quotes	
11:50:35		Suspend Sorting		Settings		
PCS	Firm Name	Bid	Ask	BSz(MM)	ASz(MM)	Time
CMPN	Composite(NY)	0.6220	0.6240	0.04	x 0.04	11:49
CBBT	SwapTrader Comp	0.6210	0.6250	x		11:49
CSSW	CREDIT SUISSE INTL	0.62100	0.62500	250	x 250	11:50
BXSU	BARCLAYS CAPITAL	0.61500	0.62500	400	x 400	11:46
WLSW	WLB Swaps	0.6260	0.6320	250	x 250	11:46
HSBC	HSBC Bank	0.61875	0.62875	250	x 250	11:46
BGN	Bloomberg BGN	0.6199	0.6261	x		11:50
BLC	Bloomberg (Calc)	0.6181	0.6181	x		11:50
CMPN	Composite(NY)	0.6220	0.6240	0.04	x 0.04	11:49
LAST	Last Update	0.6200	0.6250	x		11:49
TPRA	TP Rates	0.6040	0.6430	x		11:48
DKSW	Danske Bank	0.620	0.628	x		11:46
TIRS	TRADITION NA	0.6170	0.6310	x		11:46
BMOD	Nesbitt Burns	0.6120	0.6460	x		11:46

This screen shot supports the initial 67% levels set in the proposed rule.

Respectfully Submitted,

R Raymond May
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