AXONIC
CAPITAL LLC

November 22, 2013

Via Electronic Submission: http://comments.cftc.gov
David A. Stawick
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Request for Public Comment on Certification to Implement Available-to-Trade Determinations for Certain Swaps from: trueEX LLC (IF 13-005), TW SEF LLC (IF 13-007), Javelin SEF, LLC (IF 13-004)

Dear Mr. Stawick:

Axonic Capital LLC appreciates this opportunity to comment on the industry filings submitted to the Commodity Futures Trading Commission (the "Commission") under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") relating to the self-certification from trueEX, LLC ("trueEX"), TW SEF LLC ("TW") and Javelin SEF LLC ("Javelin" and together with trueEX and TW, the "LLCs") to implement "made available to trade" ("MAT") determinations for certain swaps set forth in the LLCs' filings. We provide our comments from the perspective of an institutional investor on the buy-side of the market.

Axonic Capital is an asset manager with over $1.8 billion under management. We focus on structured credit trading and investing and are active in the swaps markets. In our Axonic Systematic Arbitrage Master Fund we have various investments, including positions in TBAs[1] hedged with swaps.

We support the Commission's efforts to reduce risk and promote stability and transparency in the U.S. swaps market, while also maintaining a robust market for swaps to suit the varying needs of a wide range of market participants. We commend the Commission's efforts to balance the goals of bringing greater pre-trade and post-trade transparency and liquidity to the swaps market with the need to maintain active buy-side participation in these markets. To that end, we are concerned that the requirement to execute swaps on a swap execution facility ("SEF"), if not managed properly, could impede, not support, these goals.

We support trueEX's limitation of its available-to-trade self-certification to single standalone transactions, and we believe that MAT determinations generally should exclude multi-part transactions ("Package Transactions") where all the component parts (i.e., all the swaps and the related transactions comprising the Package Transaction) cannot be executed on the same SEF simultaneously.

If a SEF execution requirement is not limited to single standalone transactions, once swaps are subject to mandatory execution on a SEF, investors may be unwilling or unable to enter into certain Package Transactions where one component of the package includes a MAT swap. We understand that SEFs initially will not have the technology necessary to allow parties to execute simultaneously all

[1] TBAs are defined and discussed at footnote 412 and accompanying text in the Commission's Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping; Final Rule (77 Fed. Reg. 48208 at 48245).

components of a Package Transaction where one or more components are not MAT swaps. For example, if an investor wishes to enter into a swap that is a MAT swap on a SEF with a simultaneous hedge that is not a MAT swap on that SEF, we understand that the investor will not be able to enter into the swap and hedge simultaneously on that SEF. This could impact our investments, such as our TBA versus swap trades and other Package Transactions.

When executing Package Transactions, it is critical that the investor has the ability to execute the swaps simultaneously (rather than separately) with the other transaction components to minimize execution risk and to avoid being left with, for example, an unhedged swap or a hedge position without the primary swap. Thus, once a component of a Package Transaction is a MAT swap, market participants will be left without an important source of liquidity and risk management because they will not be able to execute such swaps with the other components of the transaction simultaneously.

If investors have to separate the component trades for execution (the swap and the TBA for example), this will increase the investor's execution risk and could increase the costs of the transaction. As a result, we believe these types of Package Transactions could be traded less frequently and liquidity could decline in not just the swap market, but also the TBA and other markets. Accordingly, we respectfully request that the Commission limit the MAT determination to single standalone transactions (similar to trueEX's proposal) and exclude Package Transactions therefrom, so that market participants such as Axonic will continue to have the ability to execute these Package Transactions.[2]

We appreciate the Commission's attention to these comments.

Very truly yours,

Jess Saypoff

Jess Saypoff
General Counsel
Axonic Capital LLC

[2] We understand that a comparable exception is available to allow market participants to execute certain types of futures transactions off-market in connection with exchange-for- physicals ("EFP") contracts, in which the buyer of, for example, Treasury securities transfers to the seller a corresponding amount of long futures contracts, or receives from the seller a corresponding amount of short futures, at a price difference mutually agreed upon. Pursuant to Commission regulations and contract market rules, the futures leg of the transaction may be executed off- exchange, allowing the parties to execute both legs of the transaction simultaneously. The principles underlying the EFP exception would appear to apply in the context of Package Transactions involving MAT swaps, i.e., separate but integrally related transactions transacted between the same two parties simultaneously.