

Eurex Circular 005/19

Equity index derivatives: Introduction of futures and options on the STOXX[®] Europe Select 50 index

Summary

The Management Board of Eurex Deutschland took the following decisions with effect from **14 February 2019**:

- Introduction of one future and one option on the STOXX[®] Europe Select 50 Index
- Introduction of a Liquidity Provider scheme

This circular contains all information on the introduction of the new products, the Liquidity Provider scheme and the updated sections of the relevant Rules and Regulations of Eurex Deutschland.

Information on clearing of the new products as well as the updated sections of the relevant Rules and Regulations of Eurex Clearing AG are contained in Eurex Clearing circular 004/19.

Attachments:

1. and 2. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland
3. Product Specific Supplement to the Liquidity Provider Scheme for STOXX[®] Europe Select 50 Options

Date: 14 January 2019

Recipients:

All Trading Participants of Eurex Deutschland and Vendors

Authorized by:

Michael Peters

Related Eurex Clearing circular:
004/19

Target groups:

- All departments

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Equity index derivatives: Introduction of futures and options on the STOXX® Europe Select 50 index

1. Introduction date

The Management Board of Eurex Deutschland decided to introduce one future and one option on the STOXX® Europe Select 50 index with effect from 14 February 2019.

2. Product overview

Underlying					
Index	Currency	Index type	ISIN	Bloomberg	Reuters
STOXX® Europe Select 50	EUR	Price	CH0298406999	SXXSEP Index	.SXXSEP

Eurex products					
Product name	Currency	Index type	ISIN	Product code	Product type
Future on STOXX® Europe Select 50	EUR	Price	DE000A2RPDJ1	FXXS	FINX
Option on STOXX® Europe Select 50	EUR	Price	DE000A2RPDK9	OXXS	OINX

3. Contract specifications and product parameters

With the futures and options on the STOXX® Europe Select 50 index, we will include products in our offering which specifically take the performance of shares with low volatility and high dividends into consideration.

For the detailed contract specifications, please refer to attachments 1 and 2.

Underlying instrument	STOXX® Europe Select 50 Index
Description of underlying instrument	A detailed description of the various indexes and the index rules and regulations can be found on the STOXX® website under www.stoxx.com
Contract value	EUR 100 per index point
Settlement	Cash settlement, due on the first exchange trading day after the final settlement day
Price determination	Futures: In points, with one decimal place Options: In points, with two decimal places
Minimum price change	Futures: 0.1 points; corresponds to a value of EUR 10.00 Options: 0.01 points; corresponds to a value of EUR 1.00
Contract months	Futures: Up to nine months – the next three quarterly months of the March, June and September cycle Options: Up to 60 months

Last trading day	The third Friday of each contract month, if this is an exchange trading day at Eurex Deutschland, otherwise the exchange trading day immediately preceding that day. Close of trading for maturing series is 12:00 noon CET
Final settlement price	The average value of all index calculations of the respective STOXX® Europe Select 50 Index in the time between 11:50 and 12:00 noon CET on the last trading day

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland will be published on the Eurex website www.eurexchange.com as of the product launch under the following link:

[Resources > Rules and Regulations > Contract specifications](#)

4. Trading hours (all times are CET)

Product	Product ID	Pre-Trading period	Continuous Trading	Post-Trading period until	Off-Book Trading period	Off-Book Post-Trading period until	Last trading day	
							Trading until	Exercise until
STOXX® Europe Select 50 Futures	FXXS	07:30-07:50	07:50-22:00	22:30	08:00-22:00	22:15	12:00 noon	-
STOXX 50® Europe Select 50 Options	OXXS	07:30-08:50	08:50-17:30	20:30	09:00-19:00	19:15	12:00 noon	20:30

5. Trading calendar

Futures and options on the STOXX® Europe Select 50 index are available for trading on each trading day of Eurex Deutschland. The exact trading days can be found in the trading calendar which has been published on the Eurex website under the link:

[Trading > Trading calendar](#)

6. Product group

The product group of the new products is as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group code					
								X	N	C	F	Q	E
Futures on the STOXX® Europe Select 50 index	E/I Futures in EUR	no	Not approved for trading in the U.S.	cash	F	Equity index	EUR	X	N	C	F	Q	E
Options on the STOXX® Europe Select 50 index	E/I Options in EUR	no	Not approved for trading in the U.S.	cash	O	Equity index	EUR	X	N	C	O	Q	E

7. Liquidity Provisioning

Effective 14 February 2019, a Liquidity Provider scheme (Equity Index 42- Options on STOXX Europe Select 50 Index) will be offered for options on the STOXX® Europe Select 50 index.

The quoting obligations can be found in the attached Product Specific Supplement. As of start of trading, it will also be available on the Eurex website under the link:

[Trading > Market-Making and Liquidity provisioning](#)

8. Mistrade parameters

Mistrade ranges for the new index futures and options will be available for download on the Eurex website as of start of trading under the following link:

[Products > Equity index derivatives > STOXX® Indexes](#)

9. Data vendor codes

As of start of trading, vendor codes for the new instruments will be published on the Eurex website under the link:

[Products > Vendor product codes](#)

10. Further information

10.1 Transaction fees

Transaction fees for the new STOXX® Europe Select 50 index futures and options are in line with the existing STOXX® index futures and options.

Please refer to the current Price List of Eurex Clearing AG on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations > Price list](#)

10.2 Eurex T7 Entry Services

An overview of the Eurex T7 Entry Services available for the products as well as detailed information on single product basis with regard to availability, possibility of utilisation and minimum entry size for the various Eurex T7 Entry Services is available on the Eurex website under the link:

[Trading > Eurex T7 Entry Services > T7 Entry Service parameters](#)

The new futures and options on the STOXX® Europe Select 50 index will be admitted to the Eurex T7 Entry Services with the following Block-Trade Size:

Product	Minimum Block Trade Size
Futures and options on the STOXX® Europe Select 50 Index	50 contracts

10.3 Risk parameters

As of start of trading, risk parameters of the new products will be published on the Eurex website under the link:

[Market data > Clearing data > Risk parameters and initial margins](#)

and on the Eurex Clearing website under the link:

[Risk management > Risk parameters](#)

Under this link, you will also find an up-to-date list with details for all Prisma-eligible Eurex products.

If you have questions or require further information, please contact Christine Heyde, Equity & Index Product Design, tel. +49-69-211-1 56 98, e-mail: christine.heyde@eurexchange.com.

14 January 2019

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 1 Contract Specifications for Futures Contracts

[...]

Subpart 1.3 Contract Specifications for Index Futures Contracts

The following subpart contains contract specifications for Futures contracts on stock index ("Index Futures Contracts").

1.3.1 Subject Matter of Contract

- (1) An Index Futures Contract is a futures contract on a specific stock index.
- (2) Futures Contracts on the following stock indices are available for trading at Eurex Deutschland such that the publication of the enclosed institutions shall determine the STOXX® Europe 50 Index (STOXX Limited)

[...]

- STOXX® Europe Select 50 Index (STOXX Limited)

[...]

- (5) The value of a futures contract shall be:

[...]

- EUR 100 per index point for Futures Contracts on the [...] and the STOXX 50® Europe Select 50 Index

[...]

[...]

1.3.4 Last Trading Day, Final Settlement Day, Close of Trading

[...]

- (4) Close of trading on the last trading day

- for DAX[®], Mini-DAX[®], MDAX[®], TecDAX[®], DivDAX[®] Futures Contracts shall be the start of the call phase of the intra-day auctions in the electronic trading system of the Frankfurt Stock Exchange as determined by the Management Board of Eurex Deutschland
- for OMXH25 Futures Contracts shall be the close of trading in continuous electronic trading at Helsinki Stock Exchange
- for SMI[®] Futures Contracts, SLI[®] Futures Contracts and SMIM[®] Futures Contracts shall be 9:00 CET.
- for
[...]
– STOXX[®] Europe Select 50 Index
[...]
Futures Contracts shall be at 12:00 p.m. CET
- for MSCI Index Futures Contracts, TA-35 Index Contracts and STOXX[®] Global Select Dividend 100 Index Contracts shall be 10:00 p.m. CET
- for RDX[®] EUR and RDX[®] USD Index Futures Contracts shall be the close of trading in continuous electronic trading at London Stock Exchange (LSE International Orderbook) at 5:30 p.m. CET
- for ATX[®] Index Futures Contracts and ATX[®] five Index Futures Contracts is the start of the intra-day auctions in the electronic trading system of the Wiener Börse AG at 12:00 p.m. CET
- for CECE[®] EUR Index Futures Contracts shall be 5:10 p.m. CET

1.3.5 Price Gradations

1.3.5.1 General Price Gradations for Index Futures Contracts

The price of Index Futures Contracts shall be quoted in points. The minimum price change (Tick) shall be:

- [...]
- 0.1 points at
[...]
– STOXX[®] Europe Select 50, this represents a value of EUR 10
[...]

[...]

Part 3 Contracts Off-Book

[...]

Subpart 3.2 Contracts Admitted for Off-Book Trading

The following Futures and Options Contracts admitted for trading at Eurex Deutschland may be entered using the Eurex T7 Entry Service for the trade types specified below.

3.2.1 Block trades

[...]

Product		Minimum number of contracts traded
Standard	Additional contract versions Y/N	
[...]		
Index Futures		
[...]		
<u>Futures Contracts on the STOXX® Europe Select 50 Index (FXXS)</u>	<u>Y</u>	<u>50</u>
[...]		

[...]

3.2.3 Exchange for Physicals for Index Futures/FX Futures (“EFP-I”)

The following Contracts are admitted:

[...]

- Futures Contracts on the STOXX® Europe Select 50 Index (FXXS)

[...]

3.2.4 Exchange for Swaps (“EFS”)

The following Contracts are admitted:

[...]

- Futures Contracts on the STOXX® Europe Select 50 Index (FXXS)

[...]

[...]

Annex C in relation to Contract Specifications:

Trading Hours for Futures Contracts

[...]

Index Futures Contracts

Product	Product ID	Pre-Trading Period	Continuous Trading	Post-Trading Period Until	Off-book Trading Period	Off-book Post-Trading Period until	Last Trading Day
							Trading Until
[...]							
<u>STOXX® Europe Select 50 Index Futures</u>	<u>FXXS</u>	<u>07:30-07:50</u>	<u>07:50-22:00</u>	<u>22:30</u>	<u>08:00-22:00</u>	<u>22:15</u>	<u>12:00</u>
[...]							

* During daylight savings time in Germany (CEST), trading in Germany on the last trading day ends at 12:00 CET.
All times CET

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 2 Contract Specifications for Options Contracts

[...]

Subpart 2.4 Contract Specifications for Index Options

The following subpart contains contract specifications for Options Contracts on stock indices (“Index Options”).

2.4.1 Subject Matter of Contract

(1) A stock index options contract shall refer to a specific stock index. The publications by the institutions listed in Number 1.3.1 shall determine the composition, weighting and calculation of the indices listed below.

(2) Options Contracts on the following stock indices are available for trading at Eurex Deutschland:

[...]

■ STOXX® Europe Select 50 Index

[...]

[...]

(5) The value of an Options contract shall be:

[...]

■ EUR 100 per index point for Options contracts on STOXX® Europe Select 50 Index

[...]

[...]

2.4.4 Term

Index Options are generally available at Eurex Deutschland for the following terms:

[...]

Index Options are currently available at Eurex Deutschland for the following terms, such terms being determined by the Management Board of Eurex Deutschland:

Product	Term Groups	
[...]		
<u>STOXX® Europe Select 50 Index Options contracts</u>		<u>60 months</u>
[...]		

2.4.5 Last Trading Day, Final Settlement Day, Close of Trading

[...]

(3) Close of Trading on the last trading day for

[...]

- SMI®, SLI®- and SMIM® Options contracts shall be 5:20 p.m. CET
- [...] STOXX® Europe Select 50 Index
[...]
Options contracts shall be 12:00 CET

[...]

[...]

2.4.9 Price Gradations

The price of an options contract will be quoted in points. The smallest price change (Tick) shall be 0.01 points for DivDAX®, MSCI Europe (NTR & Price, EUR), MSCI Europe Growth, and MSCI Europe Value, and STOXX® Europe Select 50 Options contracts, 0.05 points for EURO STOXX® Banks and STOXX® Europe 600 Banks Sector Index Options contracts and 0.1 points for all other Index Options contracts, which represents a value of:

[...]

- EUR 1 for [...] STOXX® Europe Select 50 Index, [...]

[...]

Part 3 Contracts Off-Book

[...]

Subpart 3.2 Contracts Admitted for Off-Book Trading

The following Futures and Options Contracts admitted for trading at Eurex Deutschland may be entered using the Eurex T7 Entry Service for the trade types specified below.

3.2.1 Block trades

[...]

Product		Minimum number of contracts traded
Standard	Additional contract versions Y/N	
Stock index options		
[...]		
Options Contracts on the STOXX® Europe Select 50 Index (OXXS)	Y	50
[...]		

[...]

3.2.5 Vola trades

The following Contracts are admitted:

Options Contract	Futures Contract
[...]	
Options Contracts on the STOXX® Europe Select 50 Index (OXXS)	Futures Contracts on the STOXX® Europe Select 50 Index (FXXS)
[...]	

[...]

Annex C in relation to Contract Specifications:

Trading Hours for Options Contracts

[...]

Index Options Contracts

Product	Product ID	Pre-Trading Period	Continuous Trading	Post-Trading Period Until	Off-book Trading Period	Off-book Post-Trading Period until	Last Trading Day	
							Trading Until	Exercise until
[...]								
<u>STOXX® Europe Select 50 Index Options Contracts</u>	<u>OXXS</u>	<u>07:30-8:50</u>	<u>08:50-17:30</u>	<u>20:30</u>	<u>09:00-19:00</u>	<u>19:15</u>	<u>12:00</u>	<u>20:30</u>
[...]								

* During daylight savings time in Germany (CEST), trading in Germany on the last trading day ends at 12:00 CET

** Concerns exercise on the expiration day following the last trading day

All times CET

[...]

Exercise Prices for Index Options (2.4.6)

Options series for Index Options may generally have the following exercise prices:

Contract	Exercise Price Intervals in Index Points for Contract Months with a Remaining Lifetime of					
	≤ 3 months	4-6 months	6-12 months	13-24 months	25-36 months	> 36 months
[...]						
<u>STOXX® Europe Select 50 Index</u>	<u>5</u>	<u>10</u>	<u>10</u>	<u>20</u>	<u>50</u>	<u>50</u>
[...]						

[...]

Product Specific Supplement for Options on STOXX[®] Europe Select 50 Index

Validity: 14th February – 31st December 2019

Contact: Christine Heyde, Equity & Index Product Design, T +49-69-211-1 56 98, christine.heyde@eurexchange.com

Preamble

This Product Specific Supplement for Options on STOXX[®] Europe Select 50 Index (hereinafter referred to as "Product Specific Supplement") forms an integral part of the Liquidity Provider Agreement (LPA).

A Liquidity Provider scheme for Options on STOXX[®] Europe Select 50 Index is offered until further notice.

1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product ID	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	
OXXS	OXXS	✓			✓	✓	✓	

The requirements for Strategy Block, Larger Size Block, Tighter Spread Block and Stress Presence Block are product group specific and can be found in section 2.3 of the General Supplement to the LPA.

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. The evaluation takes place on a monthly basis.

Execution type	Building Block	OXXS
Order book	Basis	According to Eurex Clearing Price List
	Package	
	Strategy	
	Larger Size	
	Tighter Spread	
	Stress Presence	
	Total	
Off-book*	Basis	According to Eurex Clearing Price List
	Package	
	Strategy	
	Total	

* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning.

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider Rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to each product individually:

	OXXS	
Quotation Period:	09:00 – 17:30 CET	
Required Coverage:	85%	
Maturity Range:		The first six expirations need to be quoted
Strike Price Window:	5 out of 7	
Response to Quote Requests	Quote requests do not have to be answered	
Minimum Quote Size:	20 contracts on the bid and ask side	
Maximum Spread:	Spread Class "OXXS" (cp. Sec. 4.1)	

4. Quotation Requirements

4.1. Available Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
OXXS	5.3	1.1	Index Points
	53.3	20%	Percent
		10.7	Index Points