

01 Oct 2019

095/2019 Equity Total Return Futures and Basket Trades of Equity Total Return Futures – Update on introduction and additional information

1. Introduction

The Management Board of Eurex Deutschland took the following decisions with effect from **7 October 2019**:

- Equity Total Return Futures and Basket Trades of Equity Total Return Futures will be introduced as communicated in Eurex circular [073/19](#);
- Amendment of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland for Equity Total Return Futures and Basket Trades of Equity Total Return Futures, previously published and communicated via the Eurex circular [043/19](#);
- Setting of mistrade parameters of 25.0 basis points in relation to Equity Total Return Futures.

Production start: 7 October 2019

The present circular provides information on the introduction of the new products and amendment of the relevant Rules and Regulations of Eurex Deutschland related to trading. Information on the clearing of the new products as well as the amendments to the relevant regulations of Eurex Clearing AG are contained in Eurex Clearing circular [041/19](#).

Please visit our Eurex initiatives page for an overview on the introduction of Equity Total Return Futures: [Equity & Basket Total Return Futures](#).

This circular contains updated information on the introduction of new Total Return Futures on Shares ("Equity Total Return Futures"), intended as the basic building blocks for Baskets of Equity Total Return Futures. It should be read in conjunction with Eurex circular 043/19 and Eurex circular 073/19.

[Attachment 1](#) contains an overview of all Equity Dividend Indices which will be used as inputs to Equity Total Return Futures including product ISINs and flagging of Equity Total Return Futures where the underlying reference share is determined as belonging to a Financial Sector Entity.

[Attachment 2](#) contains an overview of the main features of Equity Total Return Futures.

[Attachment 3](#) contains an overview of the transaction fees.

[Attachment 4a](#) and [Attachment 4b](#) contain the amendments to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland (Contract Specifications) to implement the

aforementioned decisions.

As of the effective date, the full version of the amended Contract Specifications will be published on the Eurex website www.eurexchange.com under the following link: [Resources > Rules and Regulations > Contract specifications](#)

2. Participation requirements

As previously announced with Eurex circular 043/19, market participants interested in trading and clearing of Equity and Basket Total Return Futures are requested to fill in the "Application for Participation in Trading and/or Clearing of Equity TRFs" and return it to the corresponding Key Account Manager or to client.services@eurexchange.com.

The application form is available on the Eurex Clearing website www.eurexclearing.com under the following link: [Resources > Forms > Clearing Derivatives](#)

3. Details

Amendments to the Contract Specifications

The main updates to the Contract Specifications effective on the launch date of 7 October 2019, to those drafts originally incorporated in Eurex circular 043/19, are the following:

- Use of euro short-term rate (€STR) as the Funding Rate applicable as of the launch date;
- Update to the Contract Specifications regarding Basket Trades of Equity Total Return Futures Contracts;
- Amendment of Trading Hours (to allow for incorporation of the euro short-term rate);
- Update of Equity Total Return Futures contracts included in Annex G to reflect changes due to corporate actions and revised group IDs;
- Introduction of an additional Profile in Annex G.

Main features of Equity Total Return Futures

Please refer to Attachment 2 for an overview of the main features of Equity Total Return Futures.

Product ISINs

Equity Total Return Futures' product ISINs are included in Attachment 1.

Financial Sector Entities

Equity Total Return Futures, where the underlying reference share is determined to be a Financial Sector Entity, are indicated at Attachment 1.

New Equity Dividend Indices (EDI)

The new Equity Dividend Indices (EDI) used as an underlying to Equity Total Return Futures to reflect the performance of all dividends and other distributions of the underlying specific shares on a net of withholding tax basis, including all single stock dividends in euro per share. The full list of Equity Dividend Indices including EDI Long Name, the EDI ISIN and EDI ticker are included in Attachment 1.

The withholding tax rates applied will be published by Stoxx Ltd. and can be found under the following link: <https://www.stoxx.com/withholding-taxes>.

Trading hours (CET)

Product	Equity Total Return Futures
Product ID	Product ID pursuant to Annex G to the Contract Specifications
Pre-Trading Period	09:25-09:30
Continuous Trading	09:30-17:25
Post-Trading Period	17:25-22:10
Off-Book Trading Period	09:30-22:00, Trade at Close (TAC): 09:30-18:00
Off-Book Post-Trading Period until	22:10
Last Trading Day, trading until	17:30

Mistrade parameters

Mistrade ranges for the new Equity Total Return Futures will be available for download on the Eurex website as of start of trading under the following link: Products > Total Return Futures > Equity Total Return Futures > Product name > Parameters > Mistrade Ranges

Admission to the Eurex T7 Entry Services (TES)

Equity Total Return Futures admitted for trading at Eurex Deutschland may only be entered into the Eurex T7 Entry Service (TES) when using the Basket Trade type. No other TES trade type will be allowed.

The minimum block trade sizes on product level are included in Annex G of the attached Contract Specifications (Attachment 4b)

An overview of the Eurex T7 Entry Services available for the products and detailed information are available on the Eurex website under the link: [Trading > Market models > Eurex T7 Entry Services > T7 Entry Service parameters](#)

Data vendor codes

At start of trading, vendor codes for the new products will be published on the Eurex website under the link: [Products > Vendor product codes](#)

Transaction fees

Please refer to Attachment 3 for an overview of fees which will be applied as of start of trading.

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 www.eurexclearing.com under the link: [Risk management > Risk parameters](#)

Attachments:

- [1 – Equity Dividend Indices used as an input to Equity Total Return Futures and Product ISINs and the Equity Total Return Futures where the underlying reference share is determined to be a Financial Sector Entity](#)
- [2 – Overview of main features of Equity Total Return Futures](#)
- [3 – Overview of transaction fees](#)
- [4a – Amendments to Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland – compare version highlighting the changes made in comparison to the version published with Eurex circular 043/19](#)
- [4b – Resulting amendments to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland, effective 7 October 2019](#)

Recipients: All Trading Participants of Eurex Deutschland and Vendors
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Related Eurex circulars: [043/19](#), [073/19](#)
Related Eurex Clearing circular: [041/19](#)
Web: [Equity & Basket Total Return Futures](#)
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