X-pand into the Future

eurex circular 254/13

Date: 29 November 2013

Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors

Authorized by: Jürg Spillmann

Property Derivatives: Change of last trading day and final settlement day and new technical set-up for futures on five IPD® UK Quarterly Segment Indexes (Shopping Centre, Retail Warehouse, City Office, Westend & Midtown Office, South Eastern Industrial)

Related Eurex Circular: 043/13

Related Eurex Clearing circular: 142/13

Contact: Christian Csomos, Product Development, T +49-69-211-140 75,
christian.csomos@eurexchange.com

Content may be most important for:

➲ All departments

Attachment:

Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

The Management Board of Eurex Deutschland and the Executive Boards of Eurex Zürich AG and Eurex Clearing AG passed the following decision, which will become effective on **16 December 2013**:

Change of last trading day and final settlement day for futures on five IPD® UK Quarterly Segment Indexes (Shopping Centre, Retail Warehouse, City Office, Westend & Midtown Office, South Eastern Industrial) of the company Investment Property Databank (IPD®) and change of Clearing Conditions for Eurex Clearing AG. The determination of the final settlement price in the Clearing Conditions of Eurex Clearing AG is more precisely specified, given that the corresponding IPD® quarterly indexes are so-called “unfrozen” indexes and can be retroactively recalculated during the term of the futures contracts. For the computation of the final settlement price only the latest relevant IPD® index levels will be used.

Property Derivatives: Change of last trading day and final settlement day, new technical set-up for futures on five IPD® UK Quarterly Segment Indexes (Shopping Centre, Retail Warehouse, City Office, Westend & Midtown Office, South Eastern Industrial)

The Management Board of Eurex Deutschland and the Executive Boards of Eurex Zürich AG and Eurex Clearing AG passed the following decision that will become effective on 16 December 2013:

Change of last trading day and final settlement day for futures on five IPD® UK Quarterly Segment Indexes (Shopping Centre, Retail Warehouse, City Office, Westend & Midtown Office, South Eastern Industrial) of the company Investment Property Databank (IPD®) and change of Clearing Conditions for Eurex Clearing AG. The determination of the final settlement price in the Clearing Conditions of Eurex Clearing AG is more precisely specified, given that the corresponding IPD® quarterly indexes are so-called "unfrozen" indexes and can be retroactively recalculated during the term of the futures contracts. For the computation of the final settlement price, only the latest relevant IPD® index levels will be used.

The last trading day and final settlement day of the IPD® UK Quarterly Segment Futures Contracts shall be the seventh calendar day after the last exchange day in the month of January of the year in which the term of the futures contract expires, provided that such day is an exchange trading day, otherwise, it is the preceding trading day.

In order to implement the change of the expiration date (final settlement date), these contracts will technically need to be delisted from the Eurex platform and relisted with the new expiration cycle and expiration months. Currently, there is no open interest in the respective contracts. As a result of this adjustment, these contracts will not be available for trading for a few days prior to the effective date.

Underlying property index	IPD® UK quarterly indexes: **Shopping Centre, Retail Warehouse, City Office, West End & Mid Town Office, South Eastern Industrial** (calendar year returns)
Final settlement price	The final settlement price shall reflect a nominal value of 100 plus the compound quarterly total returns in a calendar period or minus a loss during the calculation period of one calendar year. For this computation, the latest relevant four quarterly total returns in a calendar period as published by IPD®, that are valid on the Final Settlement Day are used. The formula is as follows: Final Settlement Price = $100 * [TRI_{tQ} / TRI_{(tQ-4)}]$ TRI_{tQ} = Total Returns Quarterly Index Value at the end of the fourth quarter of a calendar period valid on the Final Settlement Day. $TRI_{(tQ-4)}$ = Total Returns Index Value at the beginning of the first quarter of a calendar period valid on the Final Settlement Day. The Final Settlement Price will be determined to three decimal places commercially rounded to the nearest 0.005 or 0.01.
Last trading day	The seventh calendar day after the last exchange trading day in January of the year following the period calculated for. Trading in the maturing contract ceases at 12:00 CET.

Eurex: IPD® UK Quarterly Property Segment Futures							
Eurex-ID	Product name	Futures ISIN	Contract value in GBP	Tick size	Tick value	Currency	Product group
PSOP	IPD UK **Quarterly** Shopping Centre Index Futures Calendar Year Returns	DE000A1PH993	50.000	0,05	25	GBP	XNCHHG
PREW	IPD UK **Quarterly** Retail Warehouse Index Futures Calendar Year Returns	DE000A1PJAA5	50.000	0,05	25	GBP	XNCHHG
PCOF	IPD UK **Quarterly** City Office Index Futures Calendar Year Returns	DE000A1PJAB3	50.000	0,05	25	GBP	XNCHHG
PWOF	IPD UK **Quarterly** Westend & Midtown Office Index Futures Calendar Year Returns	DE000A1PJAC1	50.000	0,05	25	GBP	XNCHHG
PSEI	IPD UK **Quarterly** South Eastern Industrial Index Futures Calendar Year Returns	DE000A1PJAD9	50.000	0,05	25	GBP	XNCHHG

29 November 2013

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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1. Part: Contract Specifications for Futures Contracts

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1.10 Subpart: Contract Specifications for Property Index Futures Contracts

The following subpart contains contract specifications for futures contracts on commercial property return indices hereinafter referred to as "Property Index Futures Contracts".

1.10.1 Subject Matter of Contract

(1) A Property Index Futures Contract is a futures contract on a specific property index.

(2) Futures Contracts on the following property indices are available for trading at the Eurex Exchanges. The publications of the respectively indicated institution shall be relevant for the composition, weighting and calculation of the indices:

- IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index - All Property (Excluding Residential Specialist Funds) Total Returns (Investment Property Databank Limited).
- IPD® UK Annual All Retail Index - All Retail Total Returns (Investment Property Databank Limited).
- IPD® UK Annual All Office Index - All Office Total Returns (Investment Property Databank Limited).
- IPD® UK Annual All Industrial Index - All Industrial Total Returns (Investment Property Databank Limited).
- IPD® UK Quarterly Shopping Centre Index - Shopping Centre Calendar Year Total Returns (Investment Property Databank Limited).
- IPD® UK Quarterly Retail Warehouse Index - Retail Warehouse Calendar Year Total Returns (Investment Property Databank Limited).

- IPD® UK Quarterly City Office Index - City Office Calendar Year Total Returns (Investment Property Databank Limited).
- IPD® UK Quarterly Westend & Midtown Office Index - Westend & Midtown Office Calendar Year Total Returns (Investment Property Databank Limited).
- IPD® UK Quarterly South Eastern Industrial Index - South Eastern Industrial Calendar Year Total Returns (Investment Property Databank Limited).
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The nominal value of a contract shall be GBP 50,000.

1.10.2 Obligation for Performance

After close of trading, the seller of a Property Index Futures Contract shall pay in cash any difference between the agreed price and the higher final settlement price (Chapter II, Number 2.12.2 of the Clearing Conditions of Eurex Clearing AG). The purchaser of a Property Index Futures Contract shall pay in cash any difference between the agreed price and the lower final settlement price.

1.10.3 Term

For Property Index Futures Contracts, several terms expiring on the final settlement day (subsection 1.11.4 Paragraph 1), each in FebruaryJanuary (for Property-Index-Futures-contracts that have their last trading trading day in FebruaryJanuary) or March (for Property-Index-Futures-contracts that have their last trading trading day in March) for the following five calendar years, are available for trading at the Eurex exchanges.

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

(1) The last trading day and final settlement day of the IPD® UK Annual All Property (Excluding Residential Specialist Funds), IPD® UK Annual All Retail, IPD® UK Annual All Office, IPD® UK Annual All Industrial Index Futures Contracts shall be the last exchange day in the month March of the year in which the term of the futures contract expires (according to Number 1.1~~1~~0.3), provided that such day is an Exchange day, otherwise, it is the preceding trading day.

(2) The last trading day and final settlement day of the IPD® UK Quarterly Shopping Centre Calendar Year Total Returns, IPD® UK Quarterly Retail Warehouse Calendar Year Total Returns, IPD® UK Quarterly City Office Calendar Year Total Returns, IPD® UK Quarterly Westend & Midtown Office Calendar Year Total Returns, IPD® UK Quarterly South Eastern Industrial Calendar Year Total Returns Property Index Futures Contracts shall be the seventh calendar day after the last exchange day in the month of January of the year in which the term of the futures contract expires (according to Number 1.1~~1~~0.3), provided that such day is an Exchange day, otherwise, it is the preceding trading day.

(3) The close of trading of Property Index Futures Contracts on the last trading day shall be 12:00 p.m. CET.

1.10.5 Price Gradations

The price of a Property Index Futures Contract shall be quoted as percentage of their nominal value, with two decimal places. The minimum price change (”Tick”) shall be 0.05 percentage points; this represents a value of GBP 25.

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Annex C in relation to Contract Specifications:

Trading Hours Futures Contracts

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Property Index Futures Contracts

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	
IPD® UK Annual All Property (Excluding Residential Specialist Funds) Index Futures	PUKA	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Retail Index Futures	PARE	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Office Index Futures	PAOF	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Annual All Industrial Index Futures	PAIN	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Quarterly Shopping Centre Index Futures Calendar Year Returns	PSOP	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Quarterly Retail Warehouse Index Futures Calendar Year Returns	PREW	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Quarterly City Office Index Futures Calendar Year Returns	PCOF	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	

Product	Product-ID	Pre-Trading-Period	Continuous Trading	Post-Trading Full-Period	OTC Block Trading	Last Trading Day	
						Trading until	
IPD® UK Quarterly Westend & Midtown Office Index Futures Calendar Year Returns	PWOF	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	
IPD® UK Quarterly South Eastern Industrial Index Futures Calendar Year Returns	PSEI	07:30–08:30	08:30–17:30	17:30–20:30	08:30–18:30	12:00	

All times in CET

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