X-pand into the Future

eurex circular 136/09

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

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⚠ **High priority**

Agricultural Derivatives: Composition of Indexes; Margin- and Mistrade Parameters

Related Eurex Circulars: 117/09

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Content may be most important for:	**Attachments:**
➲ All departments	none

Summary:

The international derivatives exchange Eurex will extend its product range by the asset class of agricultural derivatives (see Eurex circular 117/09). Start of trading will be **July 20, 2009** with four new futures based on the agricultural products of hogs, piglets and potato products (London Potatoes and European Processing Potatoes).

This circular contains information on index calculation as underlying of the four new futures and on the margining of the products listed above.

Agricultural Derivatives: Composition of Indexes; Margin- and Mistrade Parameters

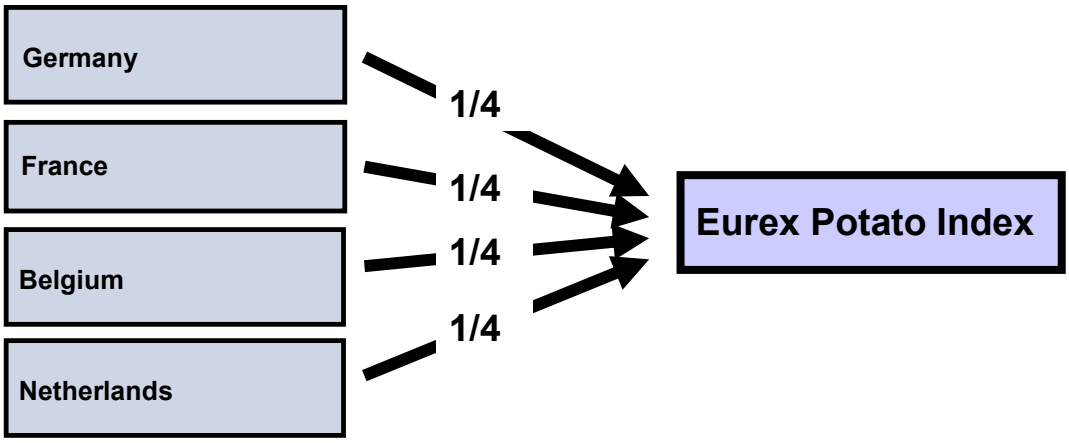
The international derivatives exchange Eurex will extend its product range by the asset class of agricultural derivatives (see Eurex circular 117/09). Start of trading will be July 20, 2009 with four new futures based on the agricultural products of hogs, piglets and potato products (London Potatoes and European Processing Potatoes).

1. Composition of the Indexes

Upon maturity, all four futures are settled in cash. For cash settlement, a reference price is used, which represents the value of the physically traded goods. For the contracts, market price indexes are used which are explained in the following.

European Processing Potato Future

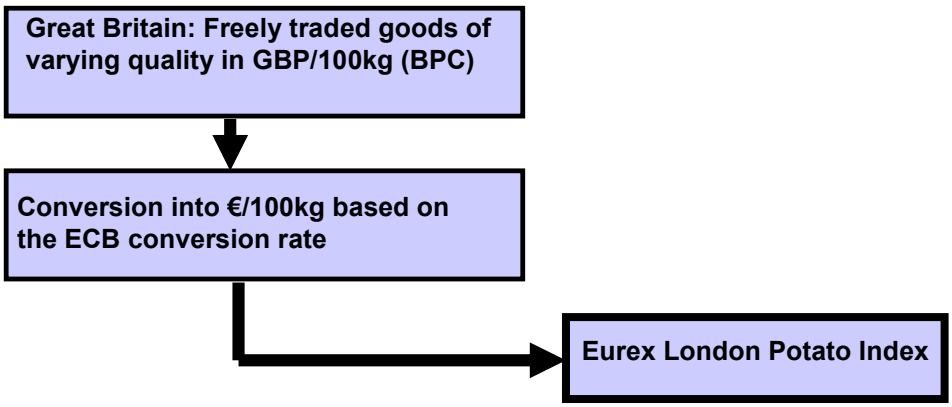
Futures positions on European processing potatoes, which are still open on the last trading day, are settled against the final settlement price which represents the Eurex European Processing Potato Index. The index is composed as follows:



For index calculation, Eurex refers to recognized price determinations in the individual countries. The Eurex European Processing Potato Index represents the average value of these four quotations. A high correlation exists between the country quotations.

London Potato Future

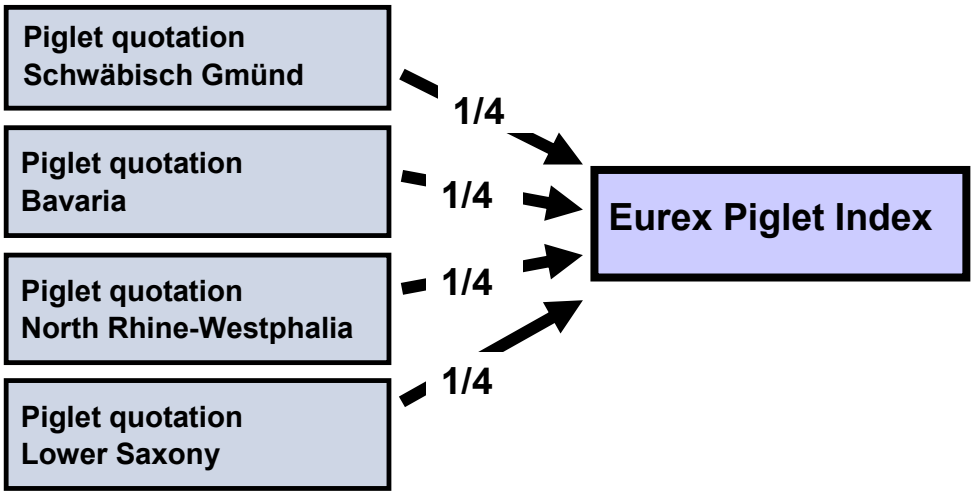
The futures positions on London Potatoes, which are still open after the last trading day, are settled against the final settlement price, which represents the Eurex London Potato Index. This index is the market average price “GB free buy weekly average price“ and reflects the market price for freely traded goods in Great Britain.



The price determined in British pounds is converted based on the current ECB reference price for Euro/British pounds and published in Euro.

Eurex Piglet Future

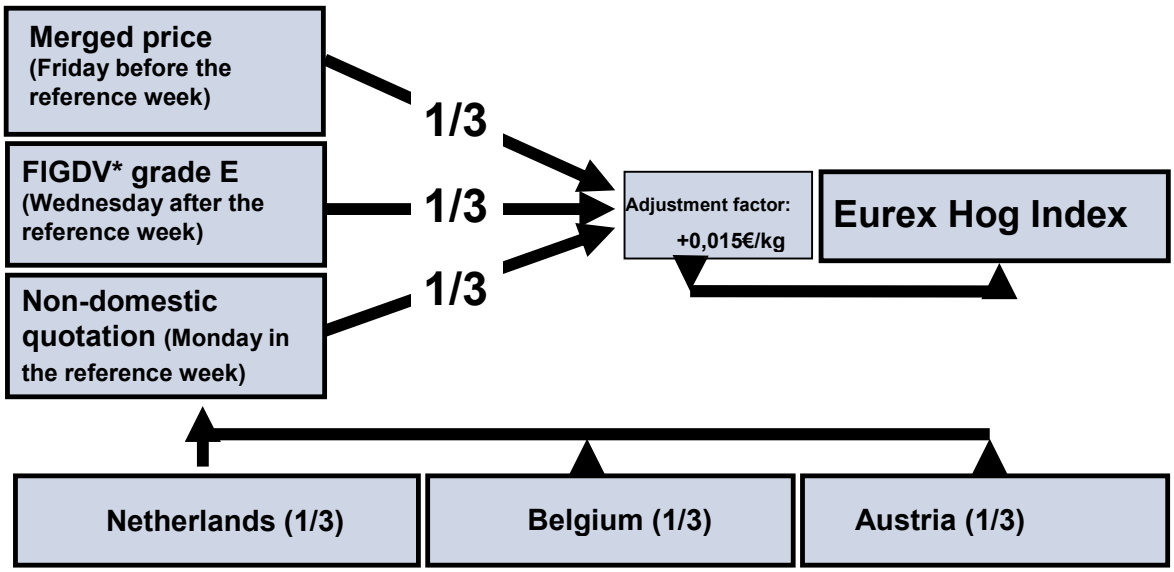
The final settlement price, against which all open positions in Eurex Piglet Futures that exist after the last trading day are settled represents the Eurex Piglet Index. It is composed as follows:



For index calculation, Eurex refers to recognized price determinations in the four most important piglet trading zones in Germany. The Eurex Piglet Index is the average value of these four quotations.

Eurex Hog Future

The price basis of the Eurex Hog Future is the Eurex Hog Index. It reflects the cash market price situation for pigs for slaughter in Central Europe. For index calculation, both recognized price quotations given by the countries Germany, the Netherlands, Belgium and Austria and a public price fixing of the Federal Institute for Food and Agriculture (Bundesanstalt für Landwirtschaft und Ernährung (BLE)) will constitute the index according to the following quota:



* Meat Law Ordinance (Fleischgesetz-Durchführungsverordnung)

2. Margin Parameters

The following margin parameters will apply for the new products:

Product	Product Code	Margin Class	Margin Parameter absolute	Absolute / Percentage	Additional Margin (EUR)	Spread Margin Parameter (EUR)
Futures on Eurex EPP Index	FEPP	EPP	1,30	A	325	650
Futures on Eurex LPI Index	FLPI	LPI	2,20	A	550	1100
Futures on Eurex Hog Index	FHOG	HOG	0,07	A	560	1120
Futures on Eurex Piglet Index	FPIG	PIG	3,60	A	360	720

As of start of trading, the parameters will be published on the Eurex-Website under the following path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters

3. Mistrade Parameters

A mistrade can be determined if the transaction price deviates from the reference price by more than 20 percent of the margin parameters.

As of start of trading, Mistrade Ranges will be available on the Eurex Website under the path for agriculture derivatives under the path:

www.eurexchange.com > Trading > Products > Agricultural Derivatives

If you have any questions on the composition of the indexes, please refer to Sascha Siegel, Market Development at tel. +49-69 -211-1 26 96. For questions on clearing, please refer to the Functional Helpdesk Clearing at tel. +49-69 -211-1 12 50, regarding the margin parameters please refer to the Functional Helpdesk Risk at tel. +49-69-211-1 24 52.

Frankfurt, July 8, 2009