X-pand into the Future

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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ETF Options: Introduction of three more Options on Source ETFs

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Content may be most important for:

- Front Office/Trading
- Middle + Backoffice
- Auditing/Security Coordination

Attachment:

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

Summary:

The Management Boards of the Eurex Exchanges decided to introduce options on the following three ETFs of Source, effective **January 24, 2011**:

1. STOXX 600 Optimised Automobiles Source ETF
2. STOXX 600 Optimised Construction Source ETF
3. STOXX 600 Optimised Insurance Source ETF

ETF Options: Introduction of three more Options on Source ETFs

1. Introduction Date

The introduction of the new options will take place on January 24, 2011.

2. Contract Specifications and Product Parameters

The complete product parameters for new ETF options will be available on the Eurex website as of start of trading under the path:

www.eurexchange.com > Trading > Products > Exchange Traded Funds Derivatives

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/ETF_en.html

The following table contains all essential contract specifications and product parameters of the new ETF options:

	Name of the Underlying	ISIN of the Underlying	Bloomberg Code Underlying	Product ISIN	Eurex Code	Con-tract Size	Max. Maturity in Months	Min. Price Change	Currency
1	STOXX 600 Optimised Automobiles Source ETF	IE00B5NLX835	XAPS GY <Equity>	IE00B5NLX835	SC0A	100	24	0.01	EUR
2	STOXX 600 Optimised Construction Source ETF	IE00B5MTY309	XOPS GY <Equity>	IE00B5MTY309	SC0N	100	24	0.01	EUR
3	STOXX 600 Optimised Insurance Source ETF	IE00B5MTXJ97	XIPS GY <Equity>	IE00B5MTXJ97	SC0I	100	24	0.01	EUR

The following **expiration dates** will be offered: the next three successive calendar months, the three following quarterly expiration dates of the cycle March, June, September and December and the next two following expiration months of the June and December cycle.

The **last trading day** is the third Friday of each expiration month if that day is an exchange trading day, otherwise, the trading day immediately preceding that day.

The **final settlement day** is the last trading day. Exercises are possible daily (American style) until the end of the Post-Trading Period (20:00 CET).

Final settlement will take place as physical delivery of the underlying on the third business day after the final settlement day.

The reference price used for automatic execution is the Indicative NAV (Net Asset Value) of the ETF at close of trading on the last trading day rounded to two decimals.

Price determination will take place in euro with two decimals.

Additional information on the individual ETFs can be found on the website under: **www.source.info**

The index rulebook is available on the STOXX website under: **www.stoxx.com**

3. Risk Parameters

At start of trading, risk parameters will be published on the Eurex website under:

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

For direct access to the document click on the following link:
http://www.eurexchange.com/clearing/risk/parameters_en.html

A separate circular will not be published on this subject.

4. Trading Times (all times in CET)

The following table contains the trading times for the ETF options:

Product	Pre-Trading	Trading	Post-Trading	OTC Block-Trading
Options on ETFs in EUR	07:30-08:51	08:51-17:30	17:30-20:00	09:00-19:00

5. Mistrade Parameters

As of start of trading, Mistrade Ranges for the new ETF options can be found on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Exchange Traded Funds Derivatives

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/ETF_en.html

6. Position Limits

As of start of trading, position limits will be published on the Eurex website under the following path:

www.eurexchange.com > Trading > Products > Exchange Traded Funds Derivatives

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/ETF_en.html

7. Market-Making

For the new ETF options there will be offered an Advanced Market-Making package together with already listed and EUR-denominated ETF options. Also, there will be Permanent Market-Making (PMM) available for these ETF options.

As of start of trading, the Market Maker Obligations will be available on the Eurex website under the path:

www.eurexchange.com > Trading > Market Model > Market-Making

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/market_model/market_making/obligations_en.html

8. Data Vendor Codes

Data vendor codes for the new products will be published on the Eurex website as of start of trading under the path:

www.eurexchange.com > **Trading > Products > Vendor Product Code Search**

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/vendor_product_code_search_en.html

9. Trading Calendar

The trading calendar which is also valid for the existing EUR-denominated ETF options applies. It is available on the Eurex website under the following path:

www.eurexchange.com > Trading > Trading Calendar

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/trading_calendar_en.html

10. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades

The same values which currently relate to the existing EUR-denominated ETF options apply:

www.eurexchange.com > Technology > Transaction Limits

For direct access to the document click on the following link:
http://www.eurexchange.com/technology/transaction_limits_en.html

11. Transaction Fees

Fees for trading and settlement of the new ETF options are contained in the following table:

ETF Options (in EUR)	Fee per contract in the order book	Fee per contract OTC entry
Non-Market Maker	0.30 EUR	0.40 EUR
PMM	0.15 EUR	0.20 EUR
AMM	0.08 EUR	0.10 EUR

For further details, please refer to the price list of Eurex Clearing AG.

12. Product Group

The new ETF options will be assigned to product group **ENSOFE**. Flex contracts will not be offered.

13. OTC-Wholesale Facilities

The minimum amount of contracts to be traded by means of the Block Trade and Flex Facility for the new ETF options is **100 contracts**.

Members who are already registered for the Block Trade, Flex Trade and /or Vola Trade Entry Facility may use the Block Trade facility for the new ETF options without any further action.

Members wishing to participate in the OTC Trade Entry Facilities for the first time should confirm their acceptance of the General Participation Conditions by signing the appropriate form and returning it to Eurex. In addition, where the Member firm is a Non-Clearing Member, its General Clearer must sign and return the General Clearer's Declaration Agreement at the same time.

The necessary forms can be downloaded from the Eurex website under the following path:

www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms > OTC Trade Entry

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/forms/trading_derivatives/single/otc_en.html

An overview of the OTC Trade Entry Facilities available for these products and detailed information on all ETF options on single product basis with regard to their availability, means of utilization and minimum quote sizes of the various wholesale trading facilities can be found under the path:

www.eurexchange.com > Trading > Wholesale Trading > Wholesale Trading Parameters

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/wholesale/otc_en.html

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CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

2. Part: Contract Specifications for Options Contracts

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2.5 Subpart: Contract Specifications for Options Contracts on Shares of Exchange-Traded Funds (EXTF-Options)

The following subpart contains contract specifications for Options Contracts shares of exchange-traded funds ("EXTF-Options).

2.5.1 Subject Matter of Contract

Options Contracts on the following shares of Exchange-traded funds are available for trading at the Eurex Exchanges. In each case, for all options contracts is the reference market the Electronic Trading System of the Frankfurter Wertpapierbörse, unless otherwise is noted

- iShares DAX® (DE) (Frankfurt Stock Exchange FWB)
- iShares EURO STOXX® 50 (Frankfurt Stock Exchange FWB)
- CS ETF on SMI® (SIX Swiss Exchange AG)
- Lyxor ETF Russia (DJ Rusindex Titans 10)
- Lyxor ETF China Enterprise (HSCEI)
- Lyxor ETF Hong Kong (HSI)
- Lyxor ETF Eastern Europe (CECE EUR)
- Lyxor ETF MSCI Emerging Markets EUR
- STOXX® Europe 600 Optimised Banks Source ETF
- STOXX® Europe 600 Optimised Utilities Source ETF
- STOXX® Europe 600 Optimised Industrial Goods & Services Source ETF
- STOXX® Europe 600 Optimised Oil & Gas Source ETF
- STOXX® Europe 600 Optimised Basic Resources Source ETF
- STOXX® Europe 600 Optimised Telecommunications Source ETF

- STOXX® Europe 600 Optimised Automobiles Source ETF
- STOXX® Europe 600 Optimised Construction Source ETF
- STOXX® Europe 600 Optimised Insurance Source ETF
- STOXX® Europe Mid 200 Source ETF
- db x-trackers MSCI Emerging Markets TRN ETF
- db x-trackers MSCI World TRN ETF
- db x-trackers MSCI Europe TRN ETF

EXTF-Options shall generally cover 100 shares of an underlying Exchange-traded fund.

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2.5.2 Call Option (Call)

(1) The purchaser of a call option (call) has the right to demand delivery of the shares underlying the contract at the stipulated exercise price.

(2) The writer of a call, the underlying security of which is traded in the electronic trading system of the Frankfurt Stock Exchange, except for options on iShares ETFs, shall be required to deliver the underlying shares at the stipulated exercise price on the third~~second~~ Exchange day following the day on which the option was exercised. The writer of a call on options of iShares ETFs shall be required to deliver the underlying shares at the stipulated exercise price on the second Exchange day following the day on which the option was exercised.~~,~~ T~~t~~his shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

[…]

2.5.3 Put Option (Put)

(1) The purchaser of put option (put) has the right to deliver the shares underlying the contract at the stipulated exercise price.

(2) The writer of a put, the underlying security of which is traded in the electronic trading system of the Frankfurt Stock Exchange, except for options on iShares ETFs, shall be required to pay the stipulated exercise price on the third~~second~~ Exchange day following exercise of the contract vis-à-vis Eurex Clearing AG against delivery of the shares underlying the contract.~~,~~ The writer of a put on options on iShares ETFs shall be required to pay the stipulated exercise price on the second Exchange day following exercise of the contract vis-à-vis Eurex Clearing AG against delivery of the shares underlying the contract. T~~t~~his shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

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