X-pand into the Future

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⚠ **High priority**

Commodity derivatives: Introduction of futures on Dow Jones-UBS ex-indexes

Contact: Ralf Huesmann, Product Development, T +49-69-211-1 54 43, ralf.huesmann@eurexchange.com

Content may be most important for:	**Attachment:**
Ü All departments	Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG passed the following decisions with effect from **16 December 2013**:

- Introduction of eight futures on Dow Jones-UBS ex-indexes
- To offer a Permanent Market-Making (PMM) scheme for the Dow Jones-UBS option.

Commodity derivatives: Introduction of futures on Dow Jones-UBS ex-indexes

1. Introduction date

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to introduce the derivatives contracts specified below and a PMM scheme for the already listed Dow Jones-UBS option with effect from 16 December 2013.

To implement the decisions, the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be amended as specified in the attachment with effect from 16 December 2013.

2. Product codes

The new futures on the Dow Jones-UBS ex-indexes are based on the Excess Return Indexes calculated in U.S. dollar.

Eurex product			**Underlying instrument**		
Futures	**Product code**	**ISIN**	**ISIN**	**Bloomberg**	**Reuters**
Dow Jones-UBS ex-Industrial Metals Index	FCXI	DE000A1XRJH8	US26077P1075	DJUBSXIM	.DJUBSXIM
Dow Jones-UBS ex-Agriculture Index	FCXA	DE000A1XRJJ4	US26077Q1058	DJUBSXAG	.DJUBSXAG
Dow Jones-UBS ex-Agriculture & Livestock Index	FCXB	DE000A1XRJK2	US26077R1032	DJUBSXAL	.DJUBSXAL
Dow Jones-UBS ex-Petroleum Index	FCXT	DE000A1XRJL0	US26077S1015	DJUBSXPE	.DJUBSXPE
Dow Jones-UBS ex-Livestock Index	FCXL	DE000A1XRJM8	US26077T1097	DJUBSXLI	.DJUBSXLI
Dow Jones-UBS ex-Grains Index	FCXR	DE000A1XRJN6	US26077U1060	DJUBSXGR	.DJUBSXGR
Dow Jones-UBS ex-Precious Metals Index	FCXP	DE000A1XRJP1	US26077V1044	DJUBSXPM	.DJUBSXPM
Dow Jones-UBS ex-Softs Index	FCXS	DE000A1XRJQ9	US26077W1027	DJUBSXSO	.DJUBSXSO

3. Contract specifications

The contract specifications are identical with those for the already listed Dow Jones-UBS Futures. For the detailed contract specifications please see the attachment.

Underlying instruments	**Dow Jones-UBS ex-indexes**
Description of underlying instrument	The Dow Jones-UBS commodity index measures the performance of an investment in a total of 22 commodities. For calculation of the index the prices of commodity futures listed on various exchanges are used. These prices are rolled according to a specific method. The index is built in such a manner as to allow tracking without domination of single commodities or sectors. Aside from the broad index there are subindexes and indexes where certain commodities are excluded (ex-indexes). These ex-indexes will be made available for trading at Eurex Exchange. The index's rules and regulations and the current constituents and weightings can be found on the S&P Dow Jones website at http://www.djindexes.com/commodity/
Contract value	USD 250 per index point
Settlement	Cash settlement, due on the first exchange trading day after settlement day
Price determination	in points, with two decimals
Minimum price change	0.01 points; corresponds to a value of USD 2.50
Contract months	The next four quarter months from the cycle March, June, September and December, the four following semi-annual months (June, December) and two additional December months.
Final settlement price	As a general rule, **the index's closing price** calculated by the index provider (Dow Jones-UBS) **seven Eurex trading days prior to the final settlement day** is relevant for the Dow Jones-UBS commodity index futures contracts. Normally, this is the Wednesday preceding the penultimate Friday of the month. The closing price of the index is calculated on the basis of the single daily settlement prices of the commodity futures constituting the index. If calculation of the final settlement price is not possible due to suspension of trading, a public holiday or lack of price determination for other reasons in one or more index components, the next available settlement price for the affected component on one of the exchange trading days preceding the final settlement day will be used. The final settlement price is rounded to three decimals.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich will be published on the Eurex website www.eurexchange.com as of start of trading under:

Resources > Rules and Regulations > Contract specifications

4. Trading hours (CET)

Product	Pre-Trading-Period	Continuous Trading	Post-Trading Full Period	OTC Block Trading	Last trading day	
					Trading until	Exercise until
DJ-UBS Futures	07:30-09:00	09:00-18:00	18:00-21:30	09:00-21:30	18:00	

5. Trading calendar

The futures on Dow Jones-UBS ex-indexes will be available for trading on each Eurex Exchange trading day. The exact trading days can be found in the trading calendar which will be published on the Eurex website as of start of trading under the following link:

Trading > Trading calendar

6. Admission to EurexOTC Block Trading

The new futures on the Dow Jones-UBS ex-indexes will be admitted to the EurexOTC Block Trade Facility with a minimum block trade size of 50 contracts.

Participants who are already registered for Block Trading and/or Vola Trading may use the respective functions for the new index futures without any further action.

Participants wishing to use in the EurexOTC Trade Entry Facilities for the first time should confirm their acceptance of the General Conditions for Participation by signing the appropriate form and returning it to Eurex Exchange. 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 found on the Eurex website under the following link:

Resources > Forms > OTC Trade Entry

7. EurexOTC Flexible Futures Facility

Upon acceptance of the General Conditions for Participation, the OTC Flexible Futures Facility will also be available for the new futures on the Dow Jones-UBS ex-indexes.

8. Product groups

The new products have been assigned to the following product groups:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Product group code					
Dow Jones-UBS Futures	Commodities USD cash settlement	no	not approved for trading in the U.S.	cash	Future/ Option	Commo-dities	USD	X	N	C	H	O	U

9. Transaction fees

The fees listed below apply for trading, clearing and settlement for derivatives on Dow Jones-UBS indexes.

Contract	**Currency**	**Standard fee per contract** (contract number ≤ threshold value)	**Reduced fee per contract** (contract number > threshold value)	**Threshold value A-accounts** (contract number)	**Threshold value P-accounts** (contract number)
On-exchange trades					
Futures on Dow Jones-UBS indexes	USD	1.00	n.a.		
OTC trades					
Futures on Dow Jones-UBS indexes	USD	1.50	n.a.		

For further details, please refer to the current Price List for Eurex Clearing AG on the Eurex website under the link:

Resources > Rules and Regulations > Price list

10. Market-Making (for Dow Jones-UBS option only)

Eurex Exchange is now offering interested participants the possibility to take part in Permanent Market-Making in the option on the Dow Jones-UBS index already listed (Eurex product code: OCCO).

As Permanent Market Makers (PMMs) in Dow Jones-UBS index options contracts, Eurex Participants agree to supply bid and ask prices (quotes) for a determined minimum number of contracts while observing defined maximum spreads within a determined period of time.

In return, Eurex Exchange will grant its PMMs in the Dow Jones-UBS index option a 50 percent refund of fees for all transactions executed on M-accounts.

The refund will be paid monthly if the Market Maker Obligations have been fulfilled. Applying for Permanent Market-Making is not required.

Quote obligations: Permanent Market-Making in the Dow Jones-UBS index option

Permanent Market-Making at Eurex Exchange consists of continuous quotation of a series of strike prices for a predefined number of expirations (the maturity range). Continuous quotation must cover 85 percent of the trading hours between 09:00 CET and 17:30 CET per calendar month on each exchange trading day (on a monthly average). PMMs in the Dow Jones-UBS index option are obliged to quote calls and puts in five strike prices (i. e. a total of ten series) out of a window of seven strike prices nearest to the current index price within the maturity range. Quote obligations for the Dow Jones-UBS index option include the first six expiration months (lifetime up to six months). Currently, no quote requests have to be answered.

The further requirements are as follows:

Index option on	Eurex product code	Minimum quote size	Maximum spread	
		Contracts on bid and ask side	Bid price up to	Spread
Dow Jones-UBS Index	OCCO	50	0 – 5.3	0.8 index points
			5.4 – 53.3	15.0 percent
			> 53.3	8.0 index points

During the Fast Market phase the minimum quote size is reduced by 50 percent and the maximum spread is increased by 100 percent.

The further requirements for new products and products already admitted to trading are as follows:

As of start of trading, the Quote Obligations will be available on the Eurex website for download under the following path:

Trading > Market model > Market-Making > Market Maker obligations

11. Excessive System Usage (ESU) and Order to Trade Ratio (OTR)

ESU and OTR are determined in line with the existing Dow Jones-UBS index derivatives. For detailed information please refer to our website under the link:

Technology > Excessive System Usage Fee

or

Technology > Order to Trade Ratio

12. Risk parameters

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

Market data > Clearing data > Risk parameters and initial margins

13. Mistrade parameters

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

Products > Commodity Derivatives > Dow Jones-UBS

14. 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

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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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1.11 Subpart: Contract Specifications for Commodity Index Futures Contracts

The following subpart contains the contract specifications for Futures contracts on commodity indices ("Commodity Index Futures Contracts").

1.11.1 Subject Matter of Contract

(1) A Commodity Index Futures Contract is a futures contract on a specific commodity index. A commodity index is calculated from the prices of individual commodity futures.

(2) On the Eurex exchanges, futures contracts on the following commodity indices are available:

- Dow Jones-UBS Agriculture Index
- Dow Jones-UBS Composite Index
- Dow Jones-UBS Energy Index
- ~~Dow Jones-UBS Ex-Energy Index~~
- Dow Jones-UBS Grains Index
- Dow Jones-UBS Industrial Metals Index
- Dow Jones-UBS Livestock Index
- Dow Jones-UBS Petroleum Index
- Dow Jones-UBS Precious Metals Index
- Dow Jones-UBS Softs Index

- § Dow Jones-UBS ex-Agriculture Index
- § Dow Jones-UBS ex-Agriculture & Livestock Index
- § Dow Jones-UBS ex-Energy Index
- § Dow Jones-UBS ex-Grains Index
- § Dow Jones-UBS ex-Industrial Metals Index
- § Dow Jones-UBS ex-Livestock Index
- § Dow Jones-UBS ex-Petroleum Index
- § Dow Jones-UBS ex-Precious Metals Index
- § Dow Jones-UBS ex-Softs Index

The Excess-Return versions of the commodity indices, calculated in USD, shall be the basis for Eurex Futures Contracts. The publication of Dow Jones UBS, deciding on the composition, weighting and calculation of the indices, are relevant for the calculation of the respective index.

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1.11.4 Last Trading Day, Final Settlement Day

(1) The last trading day of Commodity Index Futures contracts shall respectively be the last trading day preceding the final settlement day.

(2) ~~The final settlement day of Commodity Index Futures contracts shall be the fourth Friday of the respective month, provided this is an Exchange day, otherwise, it shall be the Exchange day preceding this day.~~

~~**From expiry in September 2011, the following amendment to Paragraph (2) shall apply:**~~

The final settlement day of Commodity Index Futures contracts shall be the last Friday of the respective month, provided this is an Exchange day, otherwise, it shall be the Exchange day preceding this day.

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