Eurex Clearing Circular 061/18

FX Options: Extension of trading and clearing hours

Summary

Following the introduction of extended trading and clearing hours (23 hours) for FX Futures in February 2017, the Management Board of Eurex Deutschland has decided to extend also trading of FX Options to 23 hours. To support this initiative, Eurex Clearing extends its clearing hours and services accordingly as of **2 July 2018**.

This circular contains the most important details and the timeline for the extension of the trading and clearing hours for FX Options and related clearing services for that product group of Eurex Clearing.

Attachments:

- none

Date: 28 June 2018

Recipients:
All Clearing Members, Non-Clearing Members, Basic Clearing Members, FCM Clients and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:
Heike Eckert

Target group:
- All departments

Related Eurex Clearing circulars:
118/16, 012/17

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HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht Frankfurt/Main

FX Options: Extension of trading and clearing hours

1. Trading hours and trading model

The extension of trading and clearing hours is valid for all FX Options tradable on Eurex, i.e.:

Currency pair	Product ID		Currency pair	Product ID
AUD / JPY Options	OCAY		EUR / USD Options	OCEU
AUD / USD Options	OCAU		GBP / CHF Options	OCPF
EUR / AUD Options	OCEA		GBP / USD Options	OCPU
EUR / CHF Options	OCEF		NZD / USD Options	OCNU
EUR / GBP Options	OCEP		USD / CHF Options	OCUF
EUR / JPY Options	OCEY		USD / JPY Options	OCUY

The amended trading hours (all times are CET), valid as of 2 July 2018, are shown below:

Product	Pre-trading period	Continuous trading	Post-trading full period	Block trade entry	Last trading day	
					Trading until	Exercise until
FX Options (standard trading hours)	23:55 - 00:00	00:00 - 23:00	23:00 - 23:05	00:00 - 23:00	15:00	16:00

Please note that trading on the first day after a weekend or exchange holiday starts at 00:30 CET.

On an expiration day of a series (second exchange day immediately preceding the third Wednesday of the expiration month), Continuous Trading and off-book trading for the expiring contract will end at 15:00 CET.

For completeness and a better understanding, the following background information might be relevant. The 23-hour trading of FX Options will be performed on the trading platform T7/FX. This complements the FX product offering on T7/FX, thus the complete strategy spectrum offered is available for FX products as well, including Vola Strategies. This limitation previously imposed due to trading on different instances will be eliminated through the trading and clearing hour extension for FX Options.

Clearing Members interested in clearing FX derivatives at Eurex Clearing should contact their dedicated Key Account Manager for further details.

2. Clearing and risk management

All trades executed on T7/FX will be captured and cleared in C7. A trade capture report will be sent out immediately using FIXML. Position management and transaction management functions using C7 will be available from 07:00 CET until the end of the post-trading phase (23:05 CET).

Calculation of the initial margins for FX Options is unaffected and completely integrated into the margin methodology Eurex Clearing Prisma. Margin offsets will be granted between FX Options and FX Futures within the same liquidation group. Margin figures for Clearing Members exposed to FX products are calculated as well during night time (between 00:00 CET and 07:00 CET). During this time span, Eurex Clearing will issue margin reports on a 10-minute interval showing the margin shortfall or surplus.

The Intra-Day Margin call process is applicable during the complete trading day. Margin Calls issued between 00:00 CET and 07:00 CET can only be fulfilled using cash payments in Australian dollar (AUD).

3. Reporting

To monitor the risk during night time, Eurex Clearing provides the following reports in regular 10-minute intervals:

- CN042 – Margin Call
- CN060 – Daily Margin Summary
- CN050 – Daily Margin

These reports are provided only to those Clearing Members who hold open FX positions. The reports are provided on the Common Report Engine (CRE).

4. Production rollout

Trading of FX Options on the T7 platform will be discontinued on 29 June 2018. All open orders will be deleted after close of trading on that business day. FX Options will be available for 23-hour trading in the T7/FX environment as of 2 July 2018.

If you have any questions or require further information, please contact your dedicated Key Account Manager Clearing.

28 June 2018