X-pand into the Future

eurex circular 234/09

Date: Frankfurt, December 16, 2009
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Peter Reitz

High priority

French and Belgian Equity Options: New Strike Price Intervals

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Content may be most important for:

- Front Office/Trading
- Middle + Backoffice
- IT/System Administration

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 new strike price intervals for French and Belgian equity options contracts in order to bring strike price models more into line with the conventions of the respective home markets.

The conversion will take place group-wise, effective **January 12, 13 and 14, 2010**.

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French and Belgian Equity Options: New Strike Price Intervals

1. Procedure

As of January 12 and 13, 2010, for French equity options with expirations of up to five years (group ID FR11) and for Belgian equity options (group IDs BE11 and BE12) and as of January 14, 2010 for French equity options with expirations of up to two years, the newly generated expiration months will be introduced in accordance with the new strike price model.

For already existing expirations, additional strike prices will be generated which have been assigned the existing strike price intervals.

2. New Strike Price Intervals

≤ 3 months before expiration		
strike price level		
from >	to ≤	interval
0	5	0.1
5	10	0.2
10	25	0.5
25	50	1
50	100	2
100	200	5
200	400	10
400		20

> 3 and ≤ 12 months before expiration		
strike price level		
from >	to ≤	interval
0	4,8	0.2
4.8	10	0.4
10	26	1
26	52	2
52	100	4
100	200	10
200	400	20
400		40

> 12 months before expiration		
strike price level		
from >	to ≤	interval
0	4.8	0.4
4.8	9.6	0.8
9.6	10	0.4
10	24	2
24	64	4
64	96	8
96	100	4
100	200	20
200	400	40
400		80

3. Number of Strike Prices per Expiration

For expiration dates up to and including twelve months, nine strike prices will be available, four of which in-the-money, four out-of-the-money and one at-the-money.

For expirations of more than twelve months, seven strike prices will be available, three of which in-the-money, three out-of-the-money and one at-the-money.

4. Conversion Dates and affected Products

a. On January 12, 2010: Group ID: FR11, Cash Market ID: XPAR, maximum expiration: 60 months, Product IDs

ACR	BYG	DXB	GZF
AFR	CAJ	E2F	LOR
AIR	CAR	ESL	LYO
AOM	CGE	FSE	MOH
AXA	CGM	FTE	PER
BNP	CIL	GOB	PEU
BSN	CSF	ISPA	PPX

b. On January 13, 2010: Group ID: FR11, Cash Market ID: XPAR, maximum expiration: 60 months and Group ID: BE 11, BE12, Cash Market ID: XBRU, maximum expiration: 24 months, Product IDs

PU4	SQU	XCA	KDB
RNL	TNM	B3K	MOS
SGE	TOTB	BX7	NVJ
SGM	UBL	DHZ	SOF
SJ7	VAC	EAI	SOL
SND	VVD	EFC	UNC
SNW	VVU	ITK	

c. On January 14, 2010: Group ID: FR12, Cash Market ID: XPAR, maximum expiration: 24 months, Product IDs

AKE	EUQ	NKF	VSA
AXI	GDG	NP6	XNP
DCS	HMI	NXS	ZDC
DIO	LIF	SDR1	
DYS1	LRC	SEJ	
E3B	MFX	THP	
EF3	NBP	UEN	

For further information, please contact Christine Heyde, Product Strategy, at tel. +49-69-211-1 56 98.

Frankfurt, December 16, 2009

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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

[...]

2.6 Subpart: Contract Specifications for Options Contracts and Low Exercise Price Options on Stocks

[...]

2.6.7 Exercise Prices

[...]

(3) Options series of Options contracts on shares with group ID BE11*, BE12*, FR11*, NL11 and NL12 assigned in Annex B may generally have the following exercise prices:

Exercise Price Intervals in EUR for Terms …			
up to and including three months		more than three up to and including twelve months	
Exercise Prices (EP) in EUR	Exercise Prices Intervals in EUR	Exercise Prices (EP) in EUR	Exercise Prices Intervals in EUR
EP ≤ 5.00	0.10	EP ≤ 4.80	0.20

* for part of the stock options contracts with group ID FR11 assigned in Annex B, these rules apply from 12 January 2010; for another part as well as for stock options contracts with group ID BE11 and BE12 assigned in Annex B, aforementioned rules apply from 13 January 2010. An overview of the respectively concerned contracts is included in the circular "French and Belgian Stock Options: new basis price intervals" dated December 16, 2009.

Exercise Price Intervals in EUR for Terms …			
5.00 < EP ≤ 10.00	0.20	4.80 < EP ≤ 10.00	0.40
10.00 < EP ≤ 25.00	0.50	10.00 < EP ≤ 26.00	1.00
25.00 < EP ≤ 50.00	1.00	26.00 < EP ≤ 52.00	2.00
50.00 < EP ≤ 100.00	2.00	52.00 < EP ≤ 100.00	4.00
100.00 < EP ≤ 200.00	5.00	100.00 < EP ≤ 200.00	10.00
200.00 < EP ≤ 400.00	10.00	200.00 < EP ≤ 400.00	20.00
400.00 < EP	20.00	400.00 < EP	40.00

Exercise Price Intervals in EUR for terms …	
of more than twelve months	
Exercise Prices (EP) in EUR	Exercise Price Intervals in EUR
EP ≤ 4.80	0.40
4.80 < EP ≤ 9.60	0.80
9.60 < EP ≤ 10.00	0.40
10.00 < EP ≤ 24.00	2.00
24.00 < EP ≤ ~~52~~64.00	4.00
~~52~~64.00 < EP ≤ 96.00	8.00
96.00 < EP ≤ 100.00	4.00
100.00 < EP ≤ 200.00	20.00
200.00 < EP ≤ 400.00	40.00
400.00 < EP	80.00

(4) The exercise price of a LEPO represents the smallest exercise price of an option series available in the EDP system of the Eurex Exchanges.

2.6.8 Number of Exercise Prices upon Admission of Contracts

(1) Upon implementation of the Options contracts, at least seven exercise prices are available for trading for each call and put for each maturity with terms of up to 24 months. Three of them are in-the-money, one is at-the-money and three are out-of-the-money.

Upon implementation of the Options contracts, at least five exercise prices are available for trading for each call and put for each maturity with terms of more than 24 months. Two of them are in-the-money, one is at-the-money and two are out-of-the-money.

(2) When introducing options contracts with group ID BE 11*, BE12*, FR11*, NL11 and NL12 assigned in Annex B, at least nine exercise prices are – in deviation to Paragraph (1) – available for trading for each call and put for each maturity with terms of up to and including twelve months. Four of said twelve exercise prices are in-the-money, one is at-the-money and four are out-of-the-money.

When introducing options contracts with group ID BE 11*, BE12*, FR11*, NL11 and NL12 assigned in Annex B, at least seven exercise prices are – in deviation to Paragraph (1) – available for trading for each call and put for each maturity with terms of up to and including twelve months. Three of said twelve exercise prices are in-the-money, one is at-the-money and three are out-of-the-money.

(3) Subsection 2.6.8 shall not apply to LEPOs.

[...]

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Annex B in relation to subsection 2.6 of the contract specifications:

[…]

Group ID	Relevant Cash Market	ID of Cash Market
AT11, AT12	Electronic Trading System of the Wiener Börse	XVIE
BE11, BE12	Electronic Trading System of the NYSE Euronext Brussels	XBRU
CH11, CH12	Electronic Trading System of the SIX Swiss Exchange	XSWX
DE11, DE12, US 11	Electronic Trading System of the Frankfurter Wertpapierbörse	XETR
ES11, ES12	Electronic Trading System of the Bolsa de Madrid	XMAD
FI11	Electronic Trading System of the OMX - Helsinki Stock Exchange	XHEL
FR11, FR12	Electronic Trading System of the NYSE Euronext Paris	XPAR
RU11	Electronic Trading System of the London Stock Exchange	XLON
IT11, IT12	Electronic Trading System of the Borsa Italiana	XMIL
NL11, NL12	Electronic Trading System of the NYSE Euronext Amsterdam	XAMS
SE11, SE12	Electronic Trading System of the r OMX - Stockholm Stock Exchange	XSSE

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(3) Options series of Options contracts on shares with group ID BE11[*], BE12[*], FR11[*], FR12, NL11 and NL12 assigned in Annex B may generally have the following exercise prices:

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50.00 < EP ≤ 100.00	2.00	52.00 < EP ≤ 100.00	4.00
100.00 < EP ≤ 200.00	5.00	100.00 < EP ≤ 200.00	10.00
200.00 < EP ≤ 400.00	10.00	200.00 < EP ≤ 400.00	20.00
400.00 < EP	20.00	400.00 < EP	40.00

Exercise Price Intervals in EUR for terms …	
of more than twelve months	
Exercise Prices (EP) in EUR	Exercise Price Intervals in EUR
EP ≤ 4.80	0.40
4.80 < EP ≤ 9.60	0.80
9.60 < EP ≤ 10.00	0.40
10.00 < EP ≤ 24.00	2.00
24.00 < EP ≤ 64.00	4.00
64.00 < EP ≤ 96.00	8.00
96.00 < EP ≤ 100.00	4.00
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When introducing options contracts with group ID BE 11*, BE12*, FR11*, FR12, NL11 and NL12 assigned in Annex B, at least seven exercise prices are – in deviation to Paragraph (1) – available for trading for each call and put for each maturity with terms of up to and including twelve months. Three of said twelve exercise prices are in-the-money, one is at-the-money and three are out-of-the-money.

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