X-pand into the Future

eurex circular 136/11

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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Equity Derivatives: Introduction of Equity Options and a Single Stock Future on Shares of Glencore International PLC

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Content may be most important for:

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

Attachments:

Updated sections of Annex A and Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG passed the decision to introduce equity options and Single Stock Futures on shares of Glencore International PLC, effective on **June 1, 2011**.

Equity Options: Introduction of an Equity Option on Glencore International PLC

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG passed the decision to introduce one new equity option on shares of Glencore International PLC, effective on June 1, 2011.

1. Contract Specifications and Product Parameters

Detailed product parameters for the new equity options will be available on the Eurex website under the following path as of start of trading:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options

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

The following table contains all essential contract specifications and product parameters of the new equity option:

Eurex: UK Equity Options - Launch on June 1, 2011								
	Underlying Stock	**Underlying ISIN**	**Product ISIN**	**Eurex Code**	**Contract Size**	**Maximum Maturity in Months**	**Minimum price change**	**Currency**
	Glencore International PLC	JE00B4T3BW64	JE00B4T3BW64	GLEN	1000	24	0.25	GBp

The **currency** for quoting, trading and clearing the new British equity options will be GBp (British pence).

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

The **last trading day** will be the third Friday of each expiration month. Exercises are possible on any trading day until the end of the Post-Trading period (20:00 CET).

Final Settlement will take place in form of physical delivery of the underlying shares in CREST upon exercise on the t+4 business day after the exercise has taken place.

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/regulations/contract_specifications_en.html

2. Product Group

The new equity option will be assigned to the following product group:

Eurex: UK Equity Options - Launch on June 1, 2011					FLEX Product Code			
	Underlying Stock	**Underlying ISIN**	**Product ID**	**Product Group**	**cash settlement / European style**	**physical delivery / European style**	**cash settlement / American style**	**physical delivery / American style**
	Glencore International PLC	JE00B4T3BW64	GLEN	CNSOEG	GLE6	GLE7	GLE8	GLE9

For further information on the assignment of products and product groups, please refer to Eurex circular 232/07, section 1.6.

In order to be able to trade and settle these products, Members need to have the following infrastructure in place for the settlement of British equities:

- A Clearing Member needs to have a direct connection to Euroclear UK & Ireland (EUI) or a contract with a settlement services provider (Settlement Participant) for EUI.
- Each Clearing Member must be a CM Undertaking at EUI or use a Sponsored CM Undertaking.

For direct connection to Euroclear UK & Ireland, please contact the EUI Client Contact Centre.

Members already set up for Eurex UK equity options do not need to make any further adjustments to their current set-up.

For personal assistance regarding the set-up, please contact your Key Account Manager at Member Services & Admission, tel. +49-69-211-1 17 00.

3. Market-Making

The new equity option will be assigned to group ID **GB 11** and will be part of the Advanced Market-Making package. For the new equity option, Permanent Market-Making (PMM) will be offered as well.
Please note that the number of exceptions in the UK Market-Making package will not change.

The equity option will be assigned to the Eurex spread class 12 with a minimum quote size obligation of 10 contracts:

spread class 12		
bid up to	≤24 months	>24 months
0 - 40.00	**8.00**	**8.00**
40.25 - 200.00	**20%**	**20%**
> 200.00	**40.00**	**40.00**

Main criteria for allocating an option to a spread class are its underlying share price and its historical volatility.

Product	**Product ID**	**Spread Class**	**Minimum Quote Size (Contracts)**		**Number of expirations to be quoted for PMM/AMM;** the first	**AMM Package ID**
			RMM	**AMM/ PMM**		
Options on						
Other Equities						
Glencore International PLC	GLEN	12	NA	10	6	UK

Market Maker Obligations will also be available on the Eurex website as of start of trading under the following 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

4. Risk Parameters

Risk parameters will be published on the Eurex website under the path:

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

5. Trading Hours (all times CET)

Trading hours valid for the country segment GB11 are listed below:

Product	Pre-Trading	Continuous Trading	OTC Block-Trading	Post-Trading Late
Eurex UK equity options	07:30-09:00	09:00-17:30	09:00-18:30	18:30-20:00

6. Mistrade Parameters

Mistrade ranges for the new equity options will be published on the Eurex website as of start of trading under the following path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options

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

7. Position Limits

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

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options

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

8. Data Vendor Codes

As of start of trading, data vendor codes for the new products will be published on the Eurex website 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 existing trading calendars for the respective country segments apply. They can be found on the Eurex website under the path:

www.eurexchange.com > Trading > Trading Calendar

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/calendar/2011_en.html

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

The same values apply as for the already existing euro denominated equity options.

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, clearing and settlement of the new British option will be in line with the pricing for existing British Eurex equity options and will be charged in pounds sterling. For further details please consult the Eurex Clearing price list.

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/regulations/price_list_en.html

12. OTC Trade Entry Facilities

For the new equity option the minimum amount of tradable contracts by means of the Block Trade and Flexible Options Facilities is **100 contracts**.

Members who are already registered for Block Trading and/or Vola Trading may use the Block Trade Facility for the new equity 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 of the OTC Trade Entry Facilities 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 found on 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 the products and detailed information on all equity options on single product basis with regard to their availability, utilization possibilities and minimum contract sizes for the various OTC trade entry 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

Upon acceptance of the General Conditions of Participation, the Flexible Options facility will be available.

Single Stock Futures: Introduction of a new SSF on Glencore International PLC

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG approved the introduction of a new Single Stock Future on Glencore International PLC. Effective date will be June 1, 2011.

1. Product Overview

Product Code	Futures on	Underlying ISIN	Eurex Group ID	Product Currency	Product ISIN	Product Code of Flexible Futures	
						Cash	Physical
GLEF	Glencore International PLC	JE00B4T3BW64	GB01	GBX	DE000A1KQNU2	GLE4	N/A

Product Code	Contract Size	Minimum Price Change	Minimum Block Trade Size	Product Group
GLEF	1000	0,0001	1	XNCFSG

2. Contract Specifications and Product Parameters

Generally, contract specifications for the new Single Stock Future are in line with the existing ones with the relevant Eurex group IDs, also in terms of trading hours and trading calendar, last trading day, settlement as well as the determination of the daily and final settlement prices.

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

www.eurexchange.com > Documents > Rules & Regulations > Contract Specifications

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/regulations/contract_specifications_en.html

3. Risk Parameters

You will receive the relevant risk parameters via the Theoretical Price Files after the product set-up in the Eurex® system. The parameters will also be published as of start of trading 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

4. Mistrade Parameters

Mistrade ranges for the new SSF will be published on the Eurex website as of start of trading under the path for SSFs:

www.eurexchange.com > Trading > Products > Equity Derivatives > Single Stock Futures

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

5. Transaction Limits

In general, the same values which currently relate to existing SSFs of the relevant Eurex group ID will apply. Detailed information has been published on the Eurex website under:

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

6. Transaction Fees

Transaction fees for the new SSF will be in line with the corresponding existing SSFs.

7. Data Vendor Codes

At the start of trading, data vendor codes will be published on the Eurex website 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

8. Position Limits

At the start of trading, position limits will be published on the Eurex website under:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options or Single Stock Futures

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

May 30, 2011

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MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Annex A in relation to subsection 1.6 of the contract specifications:

Futures on Shares of	Product-ID	Group ID*	Cash Market ID*	Contract Size	Minimum Price Change	Currency **
[…]						
GLENCORE INTERNATIONAL PLC	GLEF	GB01	XLON	1000	0.0001	GBX
[…]						

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall, amongst other things, serve the purpose of determining a market place for the price of the share underlying the contract.

** GBX: Pence Sterling

[…]

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

Options on Shares of	Product-ID	Group ID*	Cash Market ID*	Contract Size	Maximum Term (Months)	Minimum Price Change	Currency **
[…]							
GLENCORE INTERNATIONAL PLC	GLEN	GB11	XLON	1000	24	0.25	GBX
[…]							

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall, amongst other things, serve the purpose of determining a market place for the price of the share underlying the contract.

** GBX: Pence Sterling

[…]