X-pand into the Future

eurex circular 128/11

Date: May 24, 2011
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Thomas Book

Action required

Equity Options: Introduction of new Equity Options on PostNL NV and TNT Express NV, Change in Market Maker Obligations

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Content may be most important for:

➲ All departments

Attachment:

Updated Annex B 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 equity options on PostNL NV (PNL) and TNT Express NV (TNE) effective **May 26, 2011**.

Permanent Market-Making (PMM) and Advanced Market-Making (AMM) will be offered for the new equity options. The contracts will be included in the Dutch AMM Package with effect from June 1, 2011. At the same day, options on TNT NV (TNT) be taken out of the Dutch AMM package. For the TNT basket option (TNTB), PMM will be available from June 1, 2011.

The minimum amount of traded contracts for the OTC trade entry facilities will be 250 contracts.

Equity Options: Introduction of new Equity Options on PostNL NV and TNT Express NV, Change in Market Maker Obligations

1. Introduction Date

The introduction of equity options on PostNL NV (PNL) and TNT Express NV (TNE) will take place on May 26, 2011.

2. Contract Specifications and Product Parameters

The following table contains all essential product parameters of the new equity options:

Options contracts on Equities (Equity Options) on	Eurex Product ID	Product/ Underlying SIN	Group ID	Contract Size	Minimum Price Change	Maturity (Month)	Currency
Introduction on May 26, 2011							
Dutch Equity Options (Group ID NL11)							
PostNL NV	PNL	NL0009739416	NL11	100	0.01	60	EUR
TNT Express NV	TNE	NL0009739424	NL11	100	0.01	60	EUR

As of start of trading, the exact product parameters will be published on the Eurex website 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

3. Expiration Dates

Equity options with group ID NL11 will be tradable for up to 60 months until and including the next, the second next and the third next expiration dates and until and including the next three quarterly expiration dates (March, June, September, December) and until the four following semi-annual expiration dates (June, December) as well as the next two annual expiration dates (December).

4. Exercise Prices

All equity options follow the current Eurex standard for exercise prices of the respective group IDs. For details, please refer to the contract specifications.

Upon introduction of the options contracts for Dutch equities, for each Call and Put of each expiration date in the respective expirations of up to and including twelve months at least nine exercise prices will be available for trading, four of which are in-the-money, one is at-the-money and four are out-of-the-money. For expiration dates with expirations of more than twelve months at least seven exercise prices will be available for trading, three of which are in-the-money, one is at-the-money and three are out-of-the-money.

5. 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 documents click on the following link:
http://www.eurexchange.com/clearing/risk/parameters_en.html

6. Trading Hours

Trading hours correspond with the relevant trading hours of the already existing group IDs. For details, please refer to the contract specifications.

7. Mistrade Ranges, Position Limits

The Mistrade Ranges and position limits for the new equity options will be published as of start of trading on the Eurex website under:

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. Market-Making

Effective June 1, 2011, the new equity options will be included in the Dutch AMM Package. Also effective June 1, 2011, PMM will be offered for both products. At the same day, options on TNT NV (TNT) will be taken out of the Dutch AMM package. For the TNT basket option (TNTB), PMM will be available from June 1, 2011.

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						
PostNL	PNL	1	NA	10	6	NL
TNT Express	TNE	1	NA	10	6	NL
TNT Basket	TNTB	1	NA	10	6	NA

As of start of trading, a full overview of Eurex Market Maker Obligations will be published on the Eurex website under the path:

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

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

9. Vendor Codes

At start of trading, data vendor codes for the new instruments 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

10. Trading Calendar

The existing trading calendars for equity options on Dutch underlying instruments will 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

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

The same values apply as for existing equity options with the respective group ID.

12. Product Groups

The new equity options will be assigned to the following groups:

Product Group	Settlement Location Unit	Regulatory Status	Settlement Type	Product Type	Product Segment	Product Currency	Product Code					
Dutch Equity Options	EXS	N	C/P	O	Equity options	EUR	E	N	S	O	E	E

For further information on the assignment of products and product groups, please refer to Eurex circular 232/07, section 1.6. On single product basis please also refer to the Excel file „Eurex Product List and Product Grouping" 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

13. OTC Trade Entry Facilities

The options will be admitted to the Block Trade and Flexible Options entry facilities with 250 contracts.

The intra-day non-disclosure limit for OTC Block Trades corresponds to 1,001 contracts.

The Flexible Options facility will be available upon acceptance of the General Conditions of Participation.

An overview of the OTC trade entry facilities available for the products and detailed information on all stock futures and equity options on single product basis with regard to availability, possibility of utilization and minimum quote 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

If you have any questions or require further information, please contact Sascha Semroch at tel. +49-69-211-1 50 78 or e-mail to sascha.semroch@eurexchange.com.

May 24, 2011

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CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINDED

DELETIONS ARE CROSSED OUT

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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 Maturity in Months	Minimum Price Change	Currency **
[…]							
PostNL NV	PNL	NL11	XAMS	100	60	0.01	EUR
TNT Express NV	TNE	NL11	XAMS	100	60	0.01	EUR
[…]							

* 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 others things, serve the purpose of determining a market place for the price of the share underlying the contract.

** GBX: Pence Sterling

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