X-pand into the Future

e u r e x *circular 040/02*

Date: Frankfurt, 16 May, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

High Priority

Extended Order Validations in Eurex Futures Trading

Contact: Michael Durica (Product Development): Tel. +49 69-2101-5923
e-mail: Michael.Durica@eurexchange.com

Content may be most important for:

- Front Office / Trading
- Auditing / Security Coordination

Attachments: None

Summary:

In their meeting of 8 May, 2002 the Boards of Management of Eurex Deutschland and Eurex Zürich made the decision to introduce the following plausibility checks on order input for price-time matched futures products. The measures will take effect from 27 May, 2002.

- Market orders and Stop orders for price-time matched futures products whose order quantity exceeds a product-specific maximum value, as defined in the Circular, will be rejected by the Eurex system with the error message “MAXIMUM ORDER QTY EXCEEDED” and must, if actually intended, be entered as multiple orders.

  The facility within Trader Product Assignment, whereby an Exchange member may define maximum order sizes on a per-trader basis, remains unchanged.

- During the trading period, the prices of Limit orders and quotes entered for price-time matched futures contracts - including combination orders and quotes - will be subject to an additional plausibility check against a reference price. In the event of a significant deviation from the reference price, the orders or quotes will be rejected by the Eurex system with the error message “ INVALID PRICE”. The reference price for buy orders will be the lowest available offer price for that contract at the time of order entry (Best Ask); the reference price for sell orders will be the highest available bid price for the contract at the time of order entry (Best Bid). Maximum permitted deviations from the reference prices are defined in the Circular for each price-time matched futures product.

Extended Order Validations in Eurex Futures Trading

In their meeting of 8 May, 2002 the Boards of Management of Eurex Deutschland and Eurex Zürich made the decision to introduce the following plausibility checks on order input for the Futures products defined below. The measures will take effect from 27 May, 2002.

1. Market orders and Stop orders for price-time matched futures products whose size exceeds the product-specific maximum value defined in the table below will be rejected by the Eurex system with the error message "MAXIMUM ORDER QTY EXCEEDED" and must, if actually intended, be entered as multiple orders.

Maximum Order Quantity for Market- and Stop Orders	
Product	**No. of Contracts**
FDAX (Future on DAX Index)	500
FESX (Future on Dow Jones Euro STOXX® 50 Index)	1,000
FN50 (Future on Nemax 50 Index)	500
FSMI (Future on SMI Index)	500
FSTX (Future on Dow Jones STOXX® 50 Index)	250
FGTI (Future on Dow Jones Global Titans 50SM Index)	50
FUTURES on Dow Jones STOXX® Sector Indices	50
FUTURES on Dow Jones Euro STOXX® Sector Indices	50
FFOX (Future on HEX 25 Index)	50
FGBL, FGBM, FGBS, (Futures on German Government. Bonds)	2,000

   The facility within Trader Product Assignment whereby an Exchange member may define maximum order sizes on a per-trader basis remains unchanged. For each individual trader, therefore, the maximum permitted order quantity for Market- or Stop orders in the products listed above will be the smaller of either the limit given in the table, or the limit defined in the framework of Trader Product Assignment.

2. During the trading period, Limit orders and quotes entered for the futures contracts shown in the table below - including combination orders and quotes - will be subject to an additional plausibility check against a reference price, and in the event of a significant deviation from the reference price will be rejected by the Eurex system with the error message " INVALID PRICE". The reference price for buy orders will be the lowest available offer price for the contract (Best Ask) at the time of order entry; the reference price for sell orders will be the highest available bid price for the contract at the time of order entry (Best Bid). A significant deviation from the reference price within the meaning of this regulation will occur when the limit on a buy order exceeds the reference price by more than the higher value defined in the table below, or the limit on a sell order is lower than the reference price by more than higher value defined in the table.

   If, at the time of entry, no corresponding reference price is available, then no check will be made on the order limit.

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Michael Widmer

Maximum Permitted Deviation from the Reference Price		
Product	**Relative Value**	**Absolute Value in Points**
FDAX (Future on DAX Index)	1.0%	4.0
FESX (Future on Dow Jones Euro STOXX® 50 Index)	1.0%	4.0
FN50 (Future on Nemax 50 Index)	2.0%	4.0
FSMI (Future on SMI Index)	1.0%	4.0
FSTX (Future on Dow Jones STOXX® 50 Index)	1.0%	4.0
FGTI (Future on Dow Jones Global Titans℠ 50 Index)	1.0%	1.0
FUTURES on Dow Jones STOXX® Sector Indices	1.0%	1.0
FUTURES on Dow Jones Euro STOXX® Sector Indices	1.0%	1.0
FFOX (Future on HEX 25 Index)	1.0%	4.0
FGBL (Euro BUND Future)	0.3%	0.15
FGBM (Euro BOBL Future)	0.2%	0.10
FGBS (Euro SCHATZ Future)	0.1%	0.05

Frankfurt, 16 May, 2002

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Michael Widmer