X-pand into the Future

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Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Mehtap Dinc

FX Futures: Extension of trading hours

Contact: Group Client Services & Administration, T +49-69-211-1 17 00,
memberservices@eurexchange.com

Content may be most important for:

➲ All departments

Attachments:

none

Summary:

FX trading takes place around the clock worldwide, starting on Monday morning New Zealand time and closing Friday afternoon New York time. In order to offer a competitive trading environment, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG are planning to extend the trading hours to cover a trading time of 23 hours. As a first step, this will be done for FX Futures. The planned extension of the trading hours is subject to regulatory approval.

This circular contains the most important details and the timeline for the extension of the trading hours for all FX Futures listed at the Eurex Exchanges.

FX Futures: Extension of trading hours

FX trading takes place around the clock worldwide, starting on Monday morning New Zealand time and closing Friday afternoon New York time. In order to offer a competitive trading environment, the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG are planning to extend the trading hours to cover a trading time of 23 hours. This will be done initially for FX Futures. The planned extension of the trading hours is subject to regulatory approval.

1. Trading hours (all times are CET)

The planned trading hours for FX Futures are shown in the table below. Please note that trading on the first day after a weekend or exchange holiday starts 30 minutes past midnight.

On an expiration day of a maturing Futures contract (third Wednesday of the front month), continuous trading and Block Trade entry ceases at 15:00 for the expiring front month contract.

Product	Pre-trading period	Continuous trading	Post-trading full period	Block Trade entry	Last trading day
					Trading until
FX Futures (standard trading hours)	23:55 - 00:00	00:00 - 23:00	23:00 - 23:05	00:00 - 23:00	15:00
FX Futures (first trading day after weekend or exchange holiday)	00:25 - 00:30	00:30 - 23:00	23:00 - 23:05	00:30 - 23:00	

Trading times for FX Options will remain unchanged. They might, however, also be extended at a later stage.

2. Trading model

23 hour trading of FX Futures will be supported by establishing a second instance of Eurex Exchange's T7, which will be referred to as T7/FX. The system will be available for 23 hours and initially only serve FX Futures, resulting in a shorter downtime. Since FX Futures will be traded on T7/FX, Trading Participants will in future access trading of FX Futures in a way different than trading all other Eurex products. T7/FX will have the same functionality as T7 but will require additional access and new trading sessions. T7/FX will make use of dedicated Gateways, separate multicast addresses for the dissemination of market data and a dedicated GUI instance. Participants will be required to order new sessions and set up User IDs for T7/FX independently.

FX Options will remain available for trading in Eurex Exchange's T7, along with the other Eurex products.

3. Clearing and risk management

All trades executed in 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 at 23:05 CET.

Calculation of initial margins for FX Futures 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 who are exposed to FX products are calculated as well between 00:00 and 07:00 CET in the morning. During this time span, Eurex Clearing will issue margin reports to the affected Clearing Members on a 10-minute interval showing the margin shortfall and surplus.

Clearing Members who are actively clearing FX Futures should be aware that the Intra Day Margin Call process is applicable during the complete trading day. Margin Calls issued between 00:00 and 07:00 CET can be fulfilled using cash payments in Australian dollar.

4. Reporting

Due to the addition of a new trading instance supporting a 23 hour trading session, some trading reports will be duplicated, whereby other reports will be merged. All clearing and risk reports will be consolidated. For details about which reports will be duplicated and which reports will be merged, please see the amended version of the Eurex XML Reports – Report Reference Manual. The updated version of this document will be made available on the Eurex website www.eurexchange.com in December 2016. The duplicated reports and reference data files can be identified through the new environment IDs for T7/FX, which are ID “70” for the production environment and ID “75” for the T7/FX simulation environment.

5. Simulation

Prior to production start, Eurex Exchange will offer a dedicated simulation period to test the process changes and adjusted tools within a dedicated simulation environment. The dates are as follows:

- Start of simulation preparation: **9 January 2017**
- Start of simulation: **27 January 2017**
- End of simulation: **24 February 2017**

The simulation period will start with a preparation phase on 9 January 2017 where the new T7/FX simulation environment will be available. This preparation phase must be used by simulation participants to set up respective users in T7/FX and to order ETI sessions to access the T7/FX trading environment. From 26 January to 27 January 2017, trading in FX Futures will be moved from the T7 simulation environment to the T7/FX simulation environment. From then on T7/FX simulation can be used to test all relevant test cases and prepare the respective processes to support 23 hour trading.

A dedicated Simulation Guide explaining the simulation environment for T7/FX and the clearing process will be published in advance and will describe the recommended test scenarios.

6. Production rollout

The schedule for production rollout is planned as follows:

- Start of production preparation: **30 January 2017**
- Start of 23 hour trading: **27 February 2017**

The T7/FX production environment will already be technically available from 30 January 2017. The production preparation period can be used to set up new users in the T7/FX environment and request new ETI sessions in order to ensure a smooth transition from T7 to T7/FX. Trading of FX Futures on the T7 platform will be stopped on 24 February 2017. All open orders will be deleted after close of trading.

It is planned that FX Futures will be available for 23 hour trading in the T7/FX environment as of 27 February 2017.

7. Requesting new ETI Sessions

T7/FX requires individual ETI sessions to connect to the trading system. The respective sessions can be requested via the Member Section like any other ETI session. The number of T7/FX sessions per Trading Participant will be restricted to 50.

The session pricing model for the T7/FX platform will follow the same logic as the current session pricing model as outlined in the document Price List to the Agreement on the technical connection and the utilization of the Trading System of Eurex Deutschland and Eurex Zürich (Connection Agreement).

A fee holiday for the sessions for the T7/FX platform will be applied until further notice.

Trading System Usage	Fee (EUR/month)
Eurex ETI Low Frequency Light Session (max. 50 Transactions/Second)	250
Eurex ETI High Frequency Light Session (max. 50 Transactions/Second)	250
Eurex ETI Low Frequency Full Session (max. 150 Transactions/Second)	500
Eurex ETI High Frequency Full Session (max. 150 Transactions/Second)	500
Eurex ETI Back Office Session	100

Participants can also access the T7/FX trading platform using the T7/FX GUI provided by Eurex Exchange. The same pricing model as for T7 applies.

Service	Bandwidth (Mbit/s)	Fee per connection (EUR/month)
Eurex T7/FX GUI via Internet	**n/a**	300
	GUI connection via internet is free of charge for participants with a MIC, a GUI-Channel, a 10 Gbit/s connection in Co-Location or if a connection via a service provider is used. Otherwise fees of EUR 300/month apply (per participant, number of open Eurex Trader GUIs not limited).	

Please note that the FIX Gateway will not be supported with T7/FX.

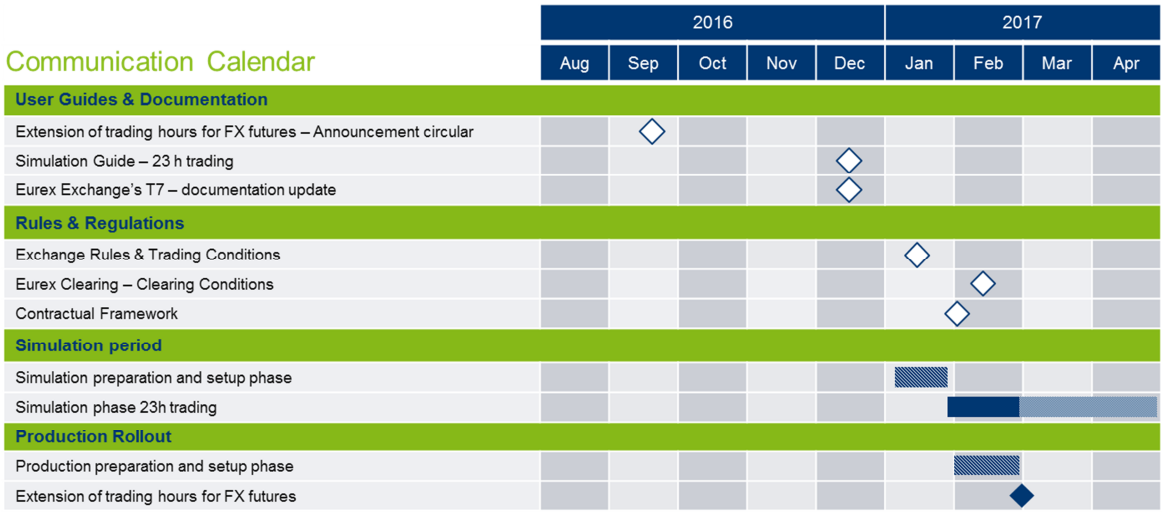
8. Requesting new User IDs for T7/FX

User IDs for the new trading instance T7/FX need to be requested independently via the User ID Maintenance in the Member Section. Request and maintenance of User IDs follows the same process and principles as for T7. T7/FX will be added as an additional system that can be selected when creating a new User ID or changing the owner of a User ID. It is strongly recommended to use the same User IDs on T7 and T7/FX for the same user. Passwords and profiles for these users, however, must be maintained independently on both T7 and T7/FX.

9. Further communication and information

Further details on the extension of trading hours for FX Futures and its implementation in the technical and legal environments of Eurex Exchange will be provided over the course of the next months.

The following figure illustrates the time schedule:



If you have any questions or require further information, please contact Group Client Services & Administration, tel. +49-69-211-1 17 00, memberservices@eurexchange.com or contact your personal Key Account Manager.

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