X-pand into the Future

eurex *rundschreiben 141/16*

Datum: 22. Dezember 2016
Empfänger: Alle Handelsteilnehmer der Eurex Deutschland und Eurex Zürich sowie Vendoren
Autorisiert von: Mehtap Dinc

EURIBOR-Optionen: Verlängerung des Market-Making-Programms

Kontakt: Rex Jones, T +49-69-211-1 78 06, rex.jones@eurexchange.com,
Vassily Pascalis, T +44-207-862-72 11, vassily.pascalis@eurexchange.com

Zielgruppe:

➲ Alle Abteilungen

Anhänge:

nur in Englisch:

1. Market Maker Agreement for EURIBOR Options and EURIBOR Mid-Curve Options
2. Market Maker Quote Obligations and Incentives

Zusammenfassung:

Die Geschäftsführung der Eurex Deutschland und die Geschäftsleitung der Eurex Zürich AG haben beschlossen, das bestehende Market-Making-Programm für EURIBOR-Optionen (OEU3) und EURIBOR-Mid-Curve-Optionen (OEM1, OEM2, OEM3, OEM4) zu verlängern.

Das Market-Making-Programm läuft vom **1. Januar 2017 bis zum 30. Juni 2017**. Damit soll die Liquidität im Orderbuch und im Telefon-Market-Making sichergestellt und weiter verbessert werden.

Informationen zu den entsprechenden Beschlüssen der Eurex Clearing AG werden zu einem späteren Zeitpunkt in einem separaten Eurex Clearing-Rundschreiben veröffentlicht. Das neue Programm ist daher vorbehaltlich des entsprechenden Beschlusses durch die Eurex Clearing AG.

Wenn Sie Fragen haben oder weitere Informationen benötigen, wenden Sie sich bitte an eine der oben genannten Kontaktpersonen.

EURIBOR-Optionen: Verlängerung des Market-Making-Programms

Die Geschäftsführung der Eurex Deutschland und die Geschäftsleitung der Eurex Zürich AG haben beschlossen, das Market-Making-Programm für EURIBOR-Optionen (OEU3), ein- und zweijährige EURIBOR-Mid-Curve-Optionen (OEM1, OEM2) und drei- und vierjährige EURIBOR-Mid-Curve-Optionen (OEM3, OEM4) zu verlängern. Das Market-Making-Programm läuft vom 1. Januar 2017 bis zum 30. Juni 2017. Damit soll die Liquidität im Orderbuch und im Telefon-Market-Making sichergestellt und weiter verbessert werden.

Als Market Maker erklärt sich der Eurex-Teilnehmer bereit, für eine spezifizierte Mindestanzahl von Kontrakten unter Einhaltung von Maximum Spreads und im Rahmen einer festgelegten Zeitdauer Geld-und Briefkurse (Quotes) zu stellen. Für das Market-Making-Programm bietet Eurex Exchange sowohl die Möglichkeit eines „Quotation on Request“ Market-Making als auch die eines Permanent Market-Making an. Im Rahmen des „Quotation on Request“ Market-Making besteht die Wahlmöglichkeit zwischen Orderbuch- und Telefon-Quotierung, beim „Permanent“ Market-Making ist eine Orderbuch-Quotierung obligatorisch.

Market Maker die ihre Verpflichtungen erfüllen, erhalten im Gegenzug eine Reduzierung von 80 bis 95 Prozent der Transaktionsentgelte für die auf M-Konten abgeschlossenen Kontrakte in EURIBOR-Optionen. Die genauen Quotierungsverpflichtungen und Rabatte entnehmen Sie bitte dem Anhang 2 dieses Rundschreibens.

Um an den Market-Making-Programmen zu partizipieren, ist eine Registrierung der Teilnehmer zwingend erforderlich. An der Teilnahme interessierte Mitglieder bitten wir daher, den beigefügten Market Maker-Antrag (Anhang 1) auszufüllen und bis spätestens 9. Januar 2017 an Rex Jones an die Faxnummer +49-69-211-61 78 06 oder die E-Mail-Adresse: rex.jones@eurexchange.com zurückzusenden.

22. Dezember 2016

Please return by fax or e-mail to:

Rex Jones
e-mail: rex.jones@eurexchange.com
Fax no. +49-69-211-61 78 06

Market Maker Agreement for EURIBOR Options and EURIBOR Mid-Curve Options

dated as of: _____

1. Eurex Frankfurt AG ("EFAG") and Eurex Clearing AG ("ECAG") and

_____ ("Participant")

(name of Participant/Member ID)

hereby enter into this Market Maker Agreement (the "Agreement") for the period from **1 January 2017 until 30 June 2017** under the conditions outlined below with respect to the following products:

		Please tick (✓) the appropriate box	
Futures on	**Eurex product code**	**Quotation on Request**	**Permanent Market Making**
EURIBOR Options	OEU3	☐	☐
1-2 year EURIBOR Mid-Curve Options	OEM1, OEM2	☐	☐
3-4 year EURIBOR Mid-Curve Options	OEM3, OEM4	☐	☐

2. The Participant shall

a) fulfil the Market-Making Obligations as set out by the Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG ("Eurex Market-Making Obligations") and published via Eurex circular. The current Eurex Market-Making Obligations for EURIBOR Options, 1-2 year EURIBOR Mid-Curve Options and 3-4 year EURIBOR Mid-Curve Options were published in Eurex circular 141/16 (attachment 2).

b) provide EFAG with the name of a manager, who has the authorisation and expertise necessary to fulfil the commitments required under the Eurex Market-Making Obligations.

c) provide EFAG with the name of a manager who has the authorisation and expertise necessary to make decisions and act as coordinator for the Participant, who will be available for EFAG and ECAG with respect to this Agreement.

d) inform EFAG in the event the Participant is or will be unable to fulfil the Eurex Market-Making Obligations without undue delay and at the latest within one business day.

3. ECAG shall refund 80 (eighty) to 95 (ninety-five) percent of all transaction fees (order book on Eurex Deutschland and Eurex Zürich (collectively the Eurex Exchanges)) and 80 (eighty) to 95 (ninety-five) percent of all transaction fees (off-book-transactions entered into via the Trade Entry Services) for the contracts traded by the Participant on M-accounts in the respective products up to and including **30 June 2017**. The concrete amount to be refunded shall be determined in accordance with the Eurex Market-Making Obligations. The refund for the respective month will be calculated at the beginning of the subsequent month. Refunds are subject to a minimum volume requirement from each participating market maker of 2,000 contracts per month, and will be paid in full only if the Eurex Market-Making Obligations have been fulfilled in the month prior to the month in which they are applicable. No refunds will be made for contracts traded on A- or P-accounts.

4. EFAG and ECAG shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:

   a) The Participant does not comply with the Eurex Market-Making Obligations for two consecutive months counted as of the date of this Agreement. Conformance of the Participant with the Eurex Market-Making Obligations shall be monitored by EFAG. EFAG will determine in its sole discretion whether the Participant has fulfilled the Eurex Market-Making Obligations.

   b) The Participant does not comply with any other of its obligations stated under No. 2 above.

5. The Participant shall, upon occurrence of one of the following events, be entitled to terminate this Agreement:

   a) A significant change in the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich for the aforementioned products.

   b) A significant change to the Eurex Market-Making Obligations.

6. The Participant as well as EFAG and ECAG shall be entitled to terminate this Agreement without giving any reason with one calendar month’s prior notice.

7. The Participant shall be notified of any changes to this Agreement and the Eurex Market-Making Obligations at least three (3) business days prior to the effective date thereof. The Participant accepts the amendments, provided a written objection is not filed with ECAG and EFAG within three (3) business days after the publication. ECAG and EFAG reserve the right to terminate the contract in case of non-acceptance of the amendments.

8. ECAG and EFAG offer this contractual agreement to interested Trading Participants. Through signature by the Trading Participant, this Agreement automatically becomes a binding contract, even without counter-signature by representatives of EFAG and ECAG.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Place, date

_____ _____
Name Position

_____ _____
Phone Fax

_____ _____
(Signature/Stamp of the company) E-mail address

Please send the completed Agreement to the fax number or e-mail address indicated on page 1.

Quote Obligations for Market-Making "Quotation on Request" and "Permanent Market-Making" in EURIBOR Options, 1+2 year EURIBOR Mid-Curve Options and 3+4 year EURIBOR Mid-Curve Options (Eurex Market-Making Obligations)

Product	"Quotation on Request"	"Permanent Market-Making"
EURIBOR Options	• each Market Maker has the choice to quote on-screen or over the phone	• each Market Maker has to quote on-screen
1+2 year EURIBOR Mid-Curve Options	• max. fee reduction from 0.20 EUR to 0.04 EUR	• max. fee reduction from 0.20 EUR to 0.02/0.01 EUR
3+4 year EURIBOR Mid-Curve Options	• measurement subject to minimum volume threshold of 2000 lots (500 lots for 3+4y Mid-Curve Options)	• measurement subject to on-screen fulfilment

Response to Quote Request	The following quotation on request obligations are valid for all incoming quote requests in all option series (Calls and Puts): At least 70 percent of all quote requests have to be answered on a monthly average, but only up to a maximum of 30 quote requests per day: within one minute / with a minimum holding time of ten seconds
Quotation Requirements	Market Makers will be obliged to quote 6 calls and puts out of a strike price window of 14 strikes. For each call and put 7 strikes (1 at the money and 3 in- and out-of the money) will be monitored.
Fast Market	In Fast Market (definition and announcement by the Eurex Exchanges) maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.
Exchange Support	Each Market Maker will be required to support the Eurex Exchanges with theoretical options prices to assist the Eurex Exchanges with settlement prices and intra-day modelling.

* Rebates apply for the entire Member firm's Market-Making volume (on the M-accounts).

This Market-Making scheme starts on 1 January 2017 and ends on 30 June 2017.

Quote Obligations and incentives for Market-Making in EURIBOR Options (OEU3)

QUOTE OBLIGATIONS				INCENTIVES	
Months	**Expirations**	**Minimum Quotation Size**	**Quotation Time**	**Incentives "Quotation on Request"**	**Incentives "Permanent Market-Making"**
White Months	**4 quarterly expirations**	**500** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)	**0.04 EUR** per traded contract (subject to a minimum volume of **2,000** contracts per month)	**0.02 EUR** per traded contract
Red Months	**4 quarterly expirations**	**250** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		
White Months	**first 2 serial expirations**	**250** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiration months)	Maximum Spread (all other quarterly expiration months)	Maximum spread five trading days prior to expiration
0.09	0.02	0.03	0.03
0.29	0.02	0.04	0.03
1.00	0.03	0.06	0.04
999.99	0.04	0.08	0.04

This Market-Making scheme starts on 1 January 2017 and ends on 30 June 2017.

Quote Obligations and incentives for Market-Making in 1-2 year EURIBOR Mid-Curve Options (OEM1, OEM2)

OBLIGATIONS				INCENTIVES	
Months	**Expirations**	**Minimum Quotation Size**	**Quotation Time**	**Incentives "Quotation on Request"**	**Incentives "Permanent Market-Making"**
Red/Green-Month Mid-Curve's	**1.+2. quarterly expiration**	**500** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)	**0.04 EUR** per traded contract (subject to a minimum volume of **2,000** contracts per month)	**0.02 EUR** per traded contract
Red/Green-Month Mid-Curve's	**3.+4. quarterly expiration**	**200** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		
Red/Green-Month Mid-Curve's	**1.+2. serial expiration**	**200** symmetrical	**80%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiration months)	Maximum Spread all other quarterly expiration months)	Maximum spread five trading days prior to expiration
0.09	0.03	0.06	0.06
0.29	0.04	0.08	0.06
1.00	0.06	0.12	0.08
999.99	0.08	0.16	0.08

This Market-Making scheme starts on 1 January 2017 and ends on 30 June 2017.

Quote Obligations and incentives for Market-Making in 3-4 year EURIBOR Mid-Curve Options (OEM3, OEM4)

OBLIGATIONS				INCENTIVES	
Months	**Expirations**	**Minimum Quotation Size**	**Quotation Time**	**Incentives "Quotation on Request"**	**Incentives "Permanent Market-Making"**
Blue/Gold-Month Mid-Curve's	**1.+2. quarterly expiration**	**100** symmetrical	**60%** of the trading day (08:00 a.m. - 07:00 p.m. CET)	**0.03 EUR** per traded contract (subject to a minimum volume of **500** contracts per month)	**0.01 EUR** per traded contract
Blue/Gold-Month Mid-Curve's	**3.+4. quarterly expiration**	**50** symmetrical	**60%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		
Blue/Gold-Month Mid-Curve's	**1.+2. serial expiration**	**50** symmetrical	**60%** of the trading day (08:00 a.m. - 07:00 p.m. CET)		

* Market-Making in 4y EURIBOR Mid-Curve Options on voluntary basis. Incentives subject to fulfilment in 3y EURIBOR Mid-Curve Options

Maximum Spreads

Bid prices up to	Maximum Spread (first three expiration months)	Maximum Spread (all other quarterly expiration months)	Maximum spread five trading days prior to expiration
0.09	0.03	0.06	0.06
0.29	0.05	0.10	0.10
1.00	0.08	0.16	0.16
999.99	0.10	0.20	0.20

This Market-Making scheme starts on 1 January 2017 and ends on 30 June 2017.