Eurex Circular 042/18

EURO STOXX 50® equity index options: A. Introduction of options with month-end expiration (OESX-MEEx); B. Admission withdrawal of the 5th Friday Weekly Option (OES5)

Summary

The Management Board of Eurex Deutschland took the following decisions:

- Effective **9 July 2018**: Introduction of options on the EURO STOXX 50® index with month-end expiration (OESX-MEEx)
- Effective **3 September 2018**: Withdrawal of admission of the EURO STOXX 50® 5th Friday Weekly Option (OES5)

This circular provides information on the introduction of the new products and the updated sections of the relevant Rules and Regulations of Eurex Deutschland.

The new product will be available in the Eurex simulation environment from 14 June 2018.

Information on clearing of the new products are contained in Eurex Clearing circular 059/18, which we are providing to our Trading Participants as attachment 4.

A new Liquidity Provider Scheme for options on EURO STOXX 50® with month-end expiration (OESX-MEEx) will be available with effect from 9 July 2018.

Attachments:

1.a Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland, effective 9 July 2018

1.b Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland, effective 3 September 2018

2. Product Specific Supplement to the Liquidity Provider Scheme for Options on EURO STOXX 50® Index with Month-End-Expiries

3. Product Specific Supplement to the Liquidity Provider Scheme for Weekly Options on EURO STOXX 50® Index

4. Eurex Clearing circular 059/18

Date: 8 June 2018

Recipients: All Trading Participants of Eurex Deutschland and Vendors

Authorized by:
Mehtap Dinc

Target group:
- All departments

Contact:
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EURO STOXX 50® equity index options: A. Introduction of options with month-end expiration (OESX-MEEx); B. Admission withdrawal of the 5th Friday Weekly Option (OES5)

A. Introduction of options with month-end expiration (OESX-MEEx)

1. Introduction date

The new options on EURO STOXX 50® with month-end expiration (OESX-MEEx) will be introduced on 9 July 2018.

2. Contract specifications and product parameters

The OESX-MEEx options will be introduced as independent products on the EURO STOXX 50® index. Eurex Exchange will offer options with month-end expiration that will expire on the last day of each expiration month. With the exception of the contract period, parameters for OESX-MEEx will be in line with the existing equity index options:

Index	Currency	Index type	ISIN	Bloomberg	Reuters
EURO STOXX 50®	EUR	Price index	EU0009658145	SX5E	.STOXX50E

Eurex product		
Contract	EURO STOXX 50® Index Options	EURO STOXX 50® Index Options with month-end expiration (OESX-MEEx)
Eurex product code	OESX	OMSX
Product ISIN	DE0009652396	DE000A2L0JB8
Contract size	EUR 10 per index point	
Tick size	0.1 index points	
Contract months	Up to 9 years and 11 months	Up to 3 calendar months
Settlement	Cash settlement, payable on the first exchange day following the Final Settlement Day	
Daily settlement price	The daily settlement price is established by Eurex Exchange. The daily settlement prices for equity index options (as well as Weekly Options) are determined through the Black/Scholes 76 model. If necessary, dividend expectations, current interest rates or other payments are taken into consideration	
Final settlement price	Based on the average of the respective STOXX index calculations from 11:50-12:00 noon CET	
Exercise	European-style; an option can only be exercised on the final settlement day of the respective option series until the end of the Post-Trading Full Period (20:30 CET)	
Last trading day	The last trading day shall be the third Friday of each expiration month, if this is an exchange day at Eurex Exchange, otherwise the exchange day immediately preceding that day	Last calendar day of each expiration month, if this is an exchange day at Eurex Exchange, otherwise the exchange day immediately preceding within the same calendar month
Product group	XNCOQE	

The trading hours match existing index options, details of which are recorded in the Contract Specifications.

The updated Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland will be published on the Eurex website www.eurexchange.com as of start of trading under:

Resources > Rules and Regulations > Contract specifications

3. Risk parameters

As of start of trading, risk parameters of the new product will be published on the Eurex website under the link:

Market data > Clearing data > Risk parameters and initial margins

There, you will also find an up-to-date list with details for all Prisma-eligible Eurex products.

4. Mistrade ranges, position limits

Mistrade ranges and position limits for the new options will be published as of start of trading on the Eurex website under the following link:

Products > Product Information > Product specifications

5. Vendor codes

As of start of trading, data vendor codes for the new product will be published on the Eurex website under the following link:

Products > Vendor product codes

6. Trading calendar

The existing trading calendars for equity options will apply. It can be found on the Eurex website under the link:

Trading > Trading calendar

7. Transaction fees

Product	Orderbook transactions	Off-book transactions
EURO STOXX 50® Index Options with month-end expiration (OESX-MEEx)	EUR 0.30	EUR 0.30

8. Eurex T7 Entry Services

The minimum number of tradable contracts for the new product via the Eurex T7 Trade Entry Services is:

Product code	Underlying	Minimum Block Trade Size
OMSX	EURO STOXX 50®	1,000

An overview of the Eurex T7 Entry Services available for the product as well as detailed information on product basis with regard to availability, possibility of utilisation and minimum number of tradable contracts for the various Eurex T7 Entry Services is available on the Eurex website.

The csv file “Trading Parameters” contains the product parameter “Block Volume Publication Limit“ (see column “NonDisclosureLimit“) which defines the limit for volumes up to which Eurex T7 Entry Service Trades in the various products are published. Aforementioned information as well as the CSV-file can be found on the Eurex website under the link:

Trading > Eurex T7 Entry Services > T7 Entry Service parameters

9. Liquidity Provisioning

With effect from 9 July 2018, a Liquidity Provider Scheme will be offered for the new products. Please see Attachment 2 for further details.

B. Admission withdrawal of the 5th Friday Weekly Option (OES5)

Effective 3 September 2018, the EURO STOXX 50® 5th Friday Weekly Options (OES5) will no longer be available for trading. The updated Liquidity Provider scheme for Weekly Options on the EURO STOXX 50® Index, effective from the same date, can be found as Attachment 3 to this circular.

If you have any questions or need further information, please contact Christine Heyde at tel. +49-69-211-1 56 98 or e-mail: christine.heyde@eurexchange.com.

8 June 2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

2. Part: Contract Specifications for Options Contracts

[…]

2.4 Contract Specifications for Index Options

The following subpart contains contract specifications for Options Contracts on stock indices ("Index Options").

[…]

2.4.4 Term

Index Options are generally available at Eurex Deutschland for the following terms:

- 5 weeks: up to and including the next, the second, the third and the fourth succeeding expiration days
- 3 months: up to and including the next, the second, the third succeeding expiration days
- 12 months: up to and including the next, the second and the third succeeding expiration days and up to and including the next three succeeding quarterly expiration days (March, June, September, December)

[…]

Index Options are currently available at Eurex Deutschland for the following terms, such terms being determined by the Management Board of Eurex Deutschland:

Product	Term Groups	
[…]		
EURO STOXX 50® Index Options contracts	5 weeks, 12 months (6 monthly expiration days)	9 years 11 months
EURO STOXX 50® Index Options contracts (MEEx)	3 monthly expirations	3 months
[…]		

2.4.5 Last Trading Day, Final Settlement Day, Close of Trading

(1) The last trading day of the Index Options contracts shall generally be the third Friday of the relevant month, provided that such day is a trading day at Eurex; otherwise, it shall be the trading day immediately preceding such day.

The last trading day of the SMI®-, SLI®- and SMIM® Options contracts shall be the trading day immediately preceding the final settlement day.

The last trading day of Index Options contracts of the term group "3 months" is the one defined in Paragraph 2.

(2) The final settlement day of the Index Options Contracts shall be the last trading day to the extent no other provisions are determined hereinafter.

The final settlement day of Index Options Contracts on the MSCI Indices and of Index Options Contracts on the STOXX® Global Select Dividend 100 Index shall be the exchange day immediately succeeding the last trading day.

The final settlement day of Index Options of the term group "5 weeks" shall be – with the exception of the third Friday of the relevant calendar month – the Friday of the relevant expiration week provided that such day is a trading day; otherwise, it shall be the trading day immediately preceding such Friday within the same calendar month. If the immediately preceding trading day is not within the same calendar month as the Friday of the expiration week, the final settlement day shall be the trading day immediately succeeding the Friday of the expiration week.

The last trading day of Index Options on the SMI® of the term group "5 weeks" shall be the trading day immediately preceding the final settlement day.

The final settlement day and the last trading day of Index Options contracts of the term group "3 months" is the last calendar day of each expiration month, provided that such day is a trading day; otherwise, it shall be the trading day immediately preceding within the same calendar month.

[…]

Annex C in relation to Contract Specifications:

[…]

Exercise Prices for Index Options (2.4.6)

Options series for Index Options may generally have the following exercise prices:

Contract	**Exercise Price Intervals in Index Points for Contract Months with a Remaining Lifetime of**					
	≤ 3 months	**4-6 months**	**6-12 months**	**13-24 months**	**25-36 months**	**> 36 months**
[…]						
EURO STOXX 50® Index Options (OESX) (including the term groups of 5 weeks and 3 months)	25	25	50	50	50	100
[…]						

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AMENDMENTS ARE MARKED AS FOLLOWS:

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[…]

2. Part: Contract Specifications for Options Contracts

[…]

2.4 Contract Specifications for Index Options

The following subpart contains contract specifications for Options Contracts on stock indices ("Index Options").

[…]

2.4.4 Term

Index Options are generally available at Eurex Deutschland for the following terms:

- 4 weeks: up to and including the next, the second, the third and the fourth succeeding expiration days
- 5 weeks: up to and including the next, the second, the third and the fourth succeeding expiration days
- 3 months: up to and including the next, the second, the third succeeding expiration days
- 12 months: up to and including the next, the second and the third succeeding expiration days and up to and including the next three succeeding quarterly expiration days (March, June, September, December)

[…]

Index Options are currently available at Eurex Deutschland for the following terms, such terms being determined by the Management Board of Eurex Deutschland:

Product	Term Groups	
[…]		
EURO STOXX 50® Index Options contracts	4 ~~5~~ weeks, 12 months (6 monthly expiration days)	9 years 11 months
EURO STOXX 50® Index Options contracts (MEEx)	3 monthly expirations	3 months

Product	Term Groups	
[…]		

2.4.5 Last Trading Day, Final Settlement Day, Close of Trading

(1) The last trading day of the Index Options contracts shall generally be the third Friday of the relevant month, provided that such day is a trading day at Eurex; otherwise, it shall be the trading day immediately preceding such day.

The last trading day of the SMI®-, SLI®- and SMIM® Options contracts shall be the trading day immediately preceding the final settlement day.

The last trading day of Index Options contracts of the term group "3 months" is the one defined in Paragraph 2.

(2) The final settlement day of the Index Options Contracts shall be the last trading day to the extent no other provisions are determined hereinafter.

The final settlement day of Index Options Contracts on the MSCI Indices and of Index Options Contracts on the STOXX® Global Select Dividend 100 Index shall be the exchange day immediately succeeding the last trading day.

The final settlement day of Index Options of the term group "4 and 5 weeks" shall be – with the exception of the third Friday of the relevant calendar month – the Friday of the relevant expiration week provided that such day is a trading day; otherwise, it shall be the trading day immediately preceding such Friday within the same calendar month. If the immediately preceding trading day is not within the same calendar month as the Friday of the expiration week, the final settlement day shall be the trading day immediately succeeding the Friday of the expiration week.

The last trading day of Index Options on the SMI® of the term group "5 weeks" shall be the trading day immediately preceding the final settlement day.

The final settlement day and the last trading day of Index Options contracts of the term group "3 months" is the last calendar day of each expiration month, provided that such day is a trading day; otherwise, it shall be the trading day immediately preceding within the same calendar month.

[…]

Annex C in relation to Contract Specifications:

[…]

Exercise Prices for Index Options (2.4.6)

Options series for Index Options may generally have the following exercise prices:

Contract	**Exercise Price Intervals in Index Points for Contract Months with a Remaining Lifetime of**					
	≤ 3 months	**4-6 months**	**6-12 months**	**13-24 months**	**25-36 months**	**> 36 months**
[…]						
EURO STOXX 50® Index Options (OESX) (including the term groups of 4 ~~5~~ weeks and 3 months)	25	25	50	50	50	100
[…]						

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Attachment 2 to Eurex circular 042/18

Product Specific Supplement to the Liquidity Provider Scheme for Options on EURO STOXX 50® Index with Month-End-Expiries

Valid from 9 July 2018
Contact: Christine Heyde, Product R&D Equity and Index, T +49-69-211-1 56 98, christine.heyde@eurexchange.com

Preamble

This Product Specific Supplement for Options on EURO STOXX 50® Index with Month-End-Expiries (hereinafter referred to as "Product Specific Supplement") forms an integral part of the LPA. For the avoidance of doubt, Sec. 1 of the LPA applies.

As of 9 July 2018, a Liquidity Provider scheme for Options on EURO STOXX 50® Index with Month-End-Expiries will be offered until further notice.

1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product ID	Basis BBB	Package PBB	Strategy CBB	Larger Size LBB	Tighter Spread TBB	Stress Presence SBB	Revenue Sharing
ESX50 MEEx1	OMSX	✓			✓	✓	✓	
ESX50 MEEx2	OMSX	✓			✓	✓	✓	

The requirements for Strategy Block, Larger Size Block, Tighter Spread Block and Stress Presence Block are product group specific and can be found in section 2.3 of the General Supplement to the LPA.

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. The evaluation takes place on a monthly basis.

Execution type	Building Block	ESTX MEEx 1	ESTX MEEx 2
Order book	**Basis**	**According to Eurex Clearing Price List**	**According to Eurex Clearing Price List**
	Package		
	Strategy		
	Larger Size		
	Tighter Spread		
	Stress Presence		
	Total		
Off-book*	**Basis**	**According to Eurex Clearing Price List**	**According to Eurex Clearing Price List**
	Package		
	Strategy		
	Total		

* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning.

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply:

	ESX50 MEEx 1	ESX50 MEEx 2
Quotation Period:	09:00 – 17:30 CET	
Required Coverage:	85%	
Maturity Range:	The first two expirations need to be quoted	
Strike Price Window:	5 out of 7	
Response to Quote Requests:	Quote Requests do not have to be answered	
Minimum Quote Size:	200 contracts on the bid and ask side	100 contracts on the bid and ask side
Maximum Spread:	Spread Class “ESX-MEEx1” (cp. Sec. 4.1)	Spread Class “ESX-MEEx2” (cp. Sec. 4.1)

4. Quotation Requirements

4.1. Available Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
ESX-MEEx1	15.0	1.8	Index Points
	225.0	12%	Percent
		27	Index Points

Spread Class	Bid up to	Maximum Spread	Unit
ESX-MEEx2	15.0	1.2	Index Points
	225.0	8%	Percent
		18	Index Points

Attachment 3 to Eurex circular 042/18

Product Specific Supplement to the Liquidity Provider Scheme for Weekly Options on EURO STOXX 50® Index

Valid from 3 September 2018 ~~1 July 2018~~
Contact: Ralf Huesmann, Product R&D Equity and Index, T +49-69-211-1 54 43, ralf.huesmann@eurexchange.com

Preamble

This Product Specific Supplement for Weekly Options on EURO STOXX 50® Index (hereinafter referred to as "Product Specific Supplement") forms an integral part of the LPA. For the avoidance of doubt, Sec. 1 of the LPA applies.

~~As of 1 January 2018~~ Ttwo Liquidity Provider schemes for Weekly Options on EURO STOXX 50® Index are offered until further notice.

1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product ID	Basis BBB	Package PBB	Strategy CBB	Larger Size LBB	Tighter Spread TBB	Stress Presence SBB	Revenue Sharing
ESX50 Weekly 1	OES1/2/4/~~5~~	✓	✓	✓	✓	✓	✓	
ESX50 Weekly 2	OES1/2/4/~~5~~	✓	✓	✓	✓	✓	✓	

The requirements for Strategy Block, Larger Size Block, Tighter Spread Block and Stress Presence Block are product group specific and can be found in section 2.3 of the General Supplement to the LPA.

2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. A multiple refund will not take place upon fulfilment of more than one scheme in one product. The evaluation takes place on a monthly basis.

Execution type	Building Block	ESX50 Weekly 1	ESX50 Weekly 2
Order book	Basis	According to Eurex Clearing Price List	According to Eurex Clearing Price List
	Package		
	Strategy		
	Larger Size		
	Tighter Spread		
	Stress Presence		
	Total		
Off-book*	Basis	According to Eurex Clearing Price List	According to Eurex Clearing Price List
	Package		
	Strategy		
	Total		

* Only off-book block and multilateral transactions are eligible for off-book rebates for Liquidity Provisioning.

3. Building Block Requirements

3.1. Basis Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to each product individually:

	ESX50 Weekly 1	ESX50 Weekly 2
Quotation Period:	09:00 – 17:30 CET	
Required Coverage:	85%	
Strike Price Window:	5 out of 7	
Response to Quote Requests:	Quote requests do not have to be answered	
Minimum Quote Size:	on the bid and ask side: 200 contracts for the front week options; 100 contracts for all other weekly options	on the bid and ask side: 100 contracts for the front week options; 50 contracts for all other weekly options
Maximum Spread:	Spread Class "ESX-WE1" (cp. Sec. 4.1)	Spread Class "ESX-WE2" (cp. Sec. 4.1)

For the avoidance of doubt: The Basis Building Block is only fulfilled if all package components are fulfilled.

3.2. Package Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to packages of products:

	ESX50 Weekly 1	ESX50 Weekly 2
Package components:	OES1, OES2, OES4~~, OES5~~	OES1, OES2, OES4~~, OES5~~
Fulfilment criterion:	In order to fulfil the package block requirements the basis block requirements in the scheme "ESX50 Weekly 1" need to be fulfilled for all package components ~~with an expiration date within the next 4 calendar weeks~~	In order to fulfil the package block requirements the basis block requirements in the scheme "ESX50 Weekly 2" need to be fulfilled for all package components ~~with an expiration date within the next 4 calendar weeks~~

4. Quotation Requirements

4.1. Available Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
ESX-WE1	15.0	1.8	Index Points
	225.0	12%	Percent
		27	Index Points

Spread Class	Bid up to	Maximum Spread	Unit
ESX-WE2	15.0	1.2	Index Points
	225.0	8%	Percent
		18	Index Points

Eurex Clearing Circular 059/18

EURO STOXX 50® equity index options: Introduction of options with month-end expiration (OESX-MEEx)

Effective **9 July 2018**, the following measures of Eurex Clearing will come into effect:

- To offer clearing services for options on the EURO STOXX 50® index with month-end expiration (OESX-MEEx) introduced at Eurex Deutschland.
- To introduce the payment of rebates for options on the EURO STOXX 50® index with month-end expiration (OESX-MEEx) as outlined in the "Product Specific Supplement" to the Liquidity Provider Agreement (LPA), which is attached to Eurex circular 042/18.

Please refer to Eurex circular 042/18 and the respective attachment "Product Specific Supplement" for detailed information.

Attachments:
none

Date: 8 June 2018

Recipients:
All Clearing Members of
Eurex Clearing AG and Vendors

Authorized by:
Heike Eckert

Target group:
All departments

Related Eurex circular:
042/18

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