X-pand into the Future

e u r e x *circular 038/13*

Date: 11 March 2013
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Michael Peters

⚠ **Action required**

Single Stock Dividend Futures: Introduction of a new SSDF on EADS due to inclusion in the EURO STOXX 50® index

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Content may be most important for:

Ü All departments

Attachments:

1. Updated Annex D of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Updated Designated Market-Making Scheme Obligations for Single Stock Dividend Futures effective 1 April 2013

Summary:

The Management Boards of the Eurex Exchanges decided with effect from **14 March 2013** to introduce a new Single Stock Dividend Future (SSDF) on EADS (product code: E2AS) due to inclusion of the EADS share in the EURO STOXX 50® index.

Designated Market-Making (DMM) will be offered for the new SSDF.

Single Stock Dividend Futures: Introduction of a new SSDF on EADS due to inclusion in the EURO STOXX 50® index

The Management Boards of the Eurex Exchanges decided with effect from 14 March 2013 to introduce a new Single Stock Dividend Future (SSDF) on EADS.

By means of the Fast Entry Rule, EADS will be included in the EURO STOXX 50® index on 18 March 2013. By introducing the new product, Eurex completes its offering of SSDFs on the EURO STOXX 50® index components.

1. Product overview

Single Stock Dividend Future on	Single Stock Dividend Future			Technical underlying of Single Stock Dividend Future	
	Eurex product code	Eurex product ISIN	Eurex product currency	Underlying product code	Underlying Product ISIN
EADS	E2AS	DE000A1RR063	EUR	E2AD	XC000A1RR073

Product code	Contract size	Minimum price change	Minimum Block Trade size	Product group	Eurex group ID
E2AS	1000	0.001	1	XNCHYE	FR21

2. Contract specifications and product parameters

Generally, contract specifications for the new SSDF are in line with the existing ones with the relevant Eurex group ID, also in terms of trading hours and trading calendar, last trading day, settlement and determination of the daily and final settlement prices.

Updated Annex D of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich 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

The risk parameters will be published in due course on the Eurex website under:

Market data > Clearing data > Risk parameters and initial margins

A separate Eurex circular will not be distributed.

4. Mistrade ranges, position limits

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

Products > Dividend Derivatives > Single Stock Dividend Futures

5. Market-Making

As of 1 April 2013, the new SSDF on EADS (E2AS) will be part of the existing Designated Market-Making (DMM) package for SSDFs on components of the EURO STOXX 50® index.

The SSDF on Nokia (N2OA), the company leaving the EURO STOXX 50® index, will be part of the DMM package for SSDFs for non-components of the EURO STOXX 50® index as of 1 April 2013.

Please refer to attachment 2 for detailed information about the adjustments to the DMM obligations.

6. Transaction limits, minimum size for cross- and pre-arranged trades, transaction fees

The same values which currently relate to existing SSDFs of the relevant Eurex group ID will apply. Detailed information is available on the Eurex website under:

Technology > Transaction limits

7. Data vendor codes

At the start of trading, data vendor codes will be published on the Eurex website under the path:

Products > Vendor Product Codes

8. Publication of dividend data

Dividend data for the new SSDF will be published as of start of trading. Please see Eurex circular 150/11 for more information.

11 March 2013

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

Annex D in relation to subsection 1.14 of the Contract Specifications:

Futures contracts on the dividends of Shares ("Single Stock Dividend Futures")	Product-ID	Group ID*	Cash Market-ID*	Contract Size	Minimum Price Change	Currency **
[…]						
European Aeronautic Defence and Space Co. EADS N.V.	E2AS	FR21	XPAR	1000	0.001	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 merely have an internal assignment function

** GBX: Pence Sterling

[…]

1. Designated Market-Making scheme for Single Stock Dividend Futures on the constituents of the EURO STOXX 50® index

Outline

This Designated Market-Making scheme covers those Single Stock Dividend Futures (SSDFs) whose underlying shares are constituents of the EURO STOXX 50®.

The Designated Market Maker will be obliged to provide two-way quotes only for a certain number of these 50 constituents in order to receive the fee rebates detailed.

The quote size obligation for the third expiry is lower than those for the first and second expiries – no obligation is in place to quote longer expirations.

The spread and size classification will be reviewed on a quarterly basis.

Scheme obligations

In the order book:

Provision of quotes during the trading session	Provision of two-way quotes for the **first**, **second and third** contracts in the series of each constituent listed - with a minimum size on the bid and ask side and with a maximum percentage spread as detailed in **Table 1** below Provision of two-way quotes for each of the contracts in the series mentioned above - during **70 percent** of the quotation period of the trading day, from 09:00 to 17:30 CET, calculated on a monthly average.
Designated Market Maker Fees	Order Book Trades & Block Trades executed on M-accounts receive **50 percent** fee rebate upon fulfilment of obligations in regards of **30 out of 50 constituents**

Respond to Eurex Pricing Requests	Market Maker must respond to all Eurex Market Supervision pricing requests up to a maximum of two requests per contract per day - within 30 minutes - subject to this information being retained for use by Eurex in its calculations and not being for public dissemination in its original form

Table 1

Maximum percentage spreads and minimum quote size permissible for fulfilment of Market-Making:

		Maximum Spreads			Minimum Size		
Product Name	Product ID	1st Expiry	2nd Expiry	3rd Expiry	1st Expiry	2nd Expiry	3rd Expiry
Air Liquide S.A.	A3IR	20%	20%	30%	30	30	15
Allianz SE	A2LV	15%	15%	25%	30	30	15
Anheuser-Bush InBev N.V./S.A.	I2TK	15%	15%	25%	50	50	25
ArcelorMittal S.A.	I2SP	25%	25%	35%	50	50	25
ASML Holding N.V.	A2SM	30%	30%	40%	50	50	25
Assicurazioni Generali S.p.A.	A2SG	25%	25%	35%	50	50	25
AXA S.A.	A2XA	20%	20%	30%	50	50	25
Banco Bilbao Vizcaya Argentaria S.A.	B3BV	20%	20%	30%	50	50	25
Banco Santander S.A.	S2SD	20%	20%	30%	50	50	25
BASF AG	B2AS	15%	15%	25%	30	30	15
Bayer AG	B2AY	15%	15%	25%	50	50	25
BMW AG	B2MW	15%	15%	25%	30	30	15
BNP Paribas S.A.	B2NP	20%	20%	30%	50	50	25
Carrefour S.A.	C3AR	30%	30%	40%	50	50	25
Compagnie de Saint-Gobain S.A.	G2OB	20%	20%	30%	50	50	25
CRH PLC	C2RG	30%	30%	40%	50	50	25
DAIMLER AG	D2AI	15%	15%	25%	30	30	15
Danone S.A.	B2SN	20%	20%	30%	50	50	25
Deutsche Bank AG	D2BK	20%	20%	30%	50	50	25
Deutsche Telekom AG	D2TE	20%	20%	30%	50	50	25
E.ON AG	E2OA	15%	15%	25%	50	50	25
ENEL S.p.A.	E2NL	25%	25%	35%	50	50	25
ENI S.p.A.	E2NT	15%	15%	25%	50	50	25
Essilor International S.A.	E2SL	25%	25%	35%	50	50	25
European Aeronautic Defence and Space Co. EADS N.V.	E2AS	30%	30%	40%	50	50	25
France Télécom	F2TE	20%	20%	30%	50	50	25
GDF SUEZ S.A.	G2ZF	15%	15%	25%	50	50	25
Iberdrola S.A.	I2BE	25%	25%	35%	50	50	25
Inditex	I2XD	20%	20%	30%	50	50	25
ING Groep N.V.	I2NN	100%	100%	100%	50	50	25
Intesa Sanpaolo S.p.A.	I3ES	100%	100%	100%	50	50	25
Koninklijke Philips Electronics N.V.	P2HI	20%	20%	30%	50	50	25
L'Oréal S.A.	L2OR	20%	20%	30%	30	30	15
LVMH Moët Hennessy Louis Vuitton S.A.	M2OH	20%	20%	30%	30	30	15
Münchener Rückversicherungs-Gesellschaft AG	M2UV	15%	15%	25%	30	30	15
~~Nokia Corp. Oyj~~	~~N2OA~~	~~100%~~	~~100%~~	~~100%~~	~~50~~	~~50~~	~~25~~
RWE AG	R3WE	15%	15%	25%	30	30	15
Sanofi-Aventis S.A.	S2NW	15%	15%	25%	30	30	15
SAP AG	S3AP	20%	20%	30%	50	50	25
Schneider Electric S.A.	S3ND	20%	20%	30%	50	50	25
Siemens AG	S2IE	15%	15%	25%	30	30	15
Société Générale S.A.	S2GE	25%	25%	35%	50	50	25
Telefónica S.A.	T2NE	25%	25%	35%	50	50	25

Product Name	Product ID	Maximum Spreads 1st Expiry	Maximum Spreads 2nd Expiry	Maximum Spreads 3rd Expiry	Minimum Size 1st Expiry	Minimum Size 2nd Expiry	Minimum Size 3rd Expiry
TOTAL S.A.	T2OT	15%	15%	25%	30	30	15
Unibail-Rodamco S.A.	U2BL	20%	20%	30%	30	30	15
UniCredit S.p.A.	C3RI	100%	100%	100%	50	50	25
Unilever N.V.	U2NI	20%	20%	30%	50	50	25
VINCI S.A.	S2QU	20%	20%	30%	30	30	15
Vivendi S.A.	V3VU	20%	20%	30%	50	50	25
Volkswagen Vz.	V2W3	15%	15%	25%	30	30	15

2. Designated Market-Making scheme for Single Stock Dividend Futures on non-constituents of the EURO STOXX 50® index (non-EURO STOXX 50® package)

Outline

This Designated Market-Making scheme covers those Single Stock Dividend Futures (excluding Swiss and British SSDFs) on European stocks whose underlying shares are not constituents of the EURO STOXX 50®, combined in the non-EURO STOXX 50® package. The package allocation will be reviewed as and when additional SSDFs will be introduced.

The Designated Market Maker will be obliged to provide two-way quotes for 50 percent of the SSDFs contained in the non-EURO STOXX 50® package in order to receive the fee rebates detailed.

The quote size obligation for the third expiry is lower than those for the first and second expiries – there is no obligation to quote longer expirations.

Scheme obligations

In the order book:

Provision of quotes during the trading session	Provision of two-way quotes for the **first**, **second and third** contracts in the series of each constituent listed - with a minimum size on the bid and ask side and with a maximum percentage spread as detailed in **Table 2** below Provision of two-way quotes for each of the contracts in the series mentioned above - during **50 percent** of the quotation period of the trading day, from 09:00 to 17:30 CET, calculated on a monthly average.
Designated Market Maker Fees	Order Book Trades & Block Trades executed on M-accounts receive **50 percent** fee rebate upon fulfilment of obligations in **50 percent** of the products in the non-EURO STOXX 50® package

Respond to Eurex Pricing Requests	Market Maker must respond to all Eurex Market Supervision pricing requests up to a maximum of two requests per contract per day - within 30 minutes - subject to this information being retained for use by Eurex in its calculations and not being for public dissemination in its original form

Table 2

Maximum percentage spreads and minimum quote size permissible for fulfilment of Market-Making:

		Maximum Spreads			Minimum Size		
Product Name	Product ID	1st Expiry	2nd Expiry	3rd Expiry	1st Expiry	2nd Expiry	3rd Expiry
AEGON Dividend Futures	A2EN	100%	100%	100%	30	30	15
ALSTOM Dividend Futures	A2OM	20%	20%	30%	30	30	15
Deutsche Börse Dividend Futures	D3B1	20%	20%	30%	30	30	15
Royal KPN Dividend Futures	K2PN	15%	15%	25%	30	30	15
Telecom Italia Dividend Futures	T2QI	30%	30%	40%	30	30	15
Crédit Agricole Dividend Futures	X2CA	100%	100%	100%	30	30	15
Nokia Corp. Oyj	N2OA	100%	100%	100%	30	30	15

For the avoidance of doubt:

Where the first expiry in the contract series is December 2013 and the permissible percentage spread is noted as 20 percent for that expiry - then to fulfil the obligations the offer price must be no greater than the bid price plus 20 percent of that bid price.

For example: If the quoted bid is 3.50 and the permissible percentage spread is 20 percent then the offer price must be no greater than 4.20.

If a successor product in one of the underlying instruments is admitted for trading with a standard contract size due to a corporate action, the successor product will become part of the Quotation Requirements with effect from the first trading day of the next calendar month. This shall also apply if any index component is changed.