X-pand into the Future

eurex circular 231/10

Date: November 25, 2010
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Peter Reitz

Action required

Stock Options: Introduction of new Stock Options on Kabel Deutschland Holding AG (Germany) & Weatherford International Ltd. (Switzerland)

Related Eurex Clearing-Circular: 079/10

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Content may be most important for:

➲ All departments

Attachments:

1. Updated sections of Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, effective November 29, 2010
2. Market-Making Obligations (excerpt)

Summary:

The Management Boards of the Eurex Exchanges decided the introduction of stock options on Kabel Deutschland Holding AG (KD8) and Weatherford International Ltd. (WFT), effective **November 29, 2010**.

Permanent Market-Making (PMM) will be offered for the new stock options.

The minimum amount of tradable contracts for OTC Wholesale functionalities is one contract.

Important information:
For the Weatherford International stock options the same settlement modalities (semi-manual process) as for Transocean stock options will be applied. Therefore, we urge you to read **Eurex Clearing circular 079/10**.

Stock Options: Introduction of new Stock Options on Kabel Deutschland Holding AG (Germany) & Weatherford International Ltd. (Switzerland)

1. Introduction Date

The Management Boards of the Eurex Exchanges decided the introduction of stock options on Kabel Deutschland Holding AG (KD8) and Weatherford International Ltd. (WFT), effective November 29, 2010.

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2. Contract Specifications and Product Parameters

The following table contains all essential information about the new stock options:

Options on	Product ISIN / ISIN of the Underlying	Eurex Code	Contract Size	Expiration Months	Minimum Price Change	Denomination
Introduction as of November 29, 2010						
German Stock Options (group ID DE12)						
Kabel Deutschland Holding AG	DE000KD88880	KD8	100	24	0.01	EUR
Swiss Stock Options (group ID CH12)						
Weatherford International Ltd.	CH0038838394	WFT	100	24	0.01	CHF

3. Expiration Dates

The stock options will be tradable for up to 24 months, i.e., until and including the next, the second next and the third next expiration dates and including the next three consecutive quarter expiration dates (March, June, September, December) as well as the following two semi-annual expiration dates (June and December).

4. Exercise Prices

All stock options follow the current Eurex standard for exercise prices of the respective group IDs. For details, please refer to the contract specifications.

Upon introduction of the options contracts, for each Call and Put of each expiration date in the respective expirations under 24 months at least seven exercise prices will be available for trading, three of which are in-the-money, one is at-the-money and three are out-of-the-money.

Contract specifications for the new products are also available for download on the Eurex website under the following path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

5. Risk Parameters

Margin parameters will be published in due time on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters

In this context, it is not planned to distribute a separate circular.

6. Trading Hours

Trading hours correspond with the trading hours of the already existing group IDs. For details, please refer to the contract specifications.

7. Mistrade Ranges

The Mistrade Ranges for the new stock options will be published as of start of trading on the Eurex website under:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

8. Position Limits

Position limits will be published on the Eurex website under the following path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

9. Market-Making

Permanent Market-Making (PMM) will be offered.

As of start of trading, Market Maker Obligations will be published on the Eurex website under the path:

www.eurexchange.com > Trading > Market Model > Market-Making

10. Vendor Codes

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

www.eurexchange.com > Trading > Products > Vendor Product Code Search

11. Trading Calendar

The trading calendar for Swiss stock futures and options applies. It can be found on the Eurex website under the path:

www.eurexchange.com > Trading > Trading Calendar

12. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades, Transaction Fees

The same values apply as for existing stock options with the respective group ID.

13. Product Groups

The new stock options will be assigned to the following groups:

Product Group	Settlement Location Unit	Regulatory Status	Settlement Type	Product Type	Product Segment	Product Currency	Product Code					
German stock options	EUR	N	C/P (S)	O	Stock options	CHF	E	N	S	O	E	E
Swiss stock options	CHF	N	C/P (S)	O	Stock options	CHF	S	N	S	O	E	C

For further information on the assignment of products and product groups, please refer to Eurex circular 232/07, section 1.6.

14. OTC Trade Entry Facilities

The minimum amount of contracts to be traded by means of the Block Trade- and Flexible Options facilities is one contract.

The intra-day non-disclosure limit for OTC Block Trades corresponds to 1,001 contracts.

The Flexible Options facility will be available upon acceptance of the General Conditions of Participation.

An overview of the OTC Trade Entry facilities available for the products and detailed information on all stock futures and options on single product basis with regard to availability, possibility of utilization and minimum quote sizes for the various trade entry trading facilities can be found under the path:

www.eurexchange.com > Trading > Wholesale Trading > Wholesale Trading Parameters

In Excel file “Eurex Product List and Product Grouping” you will find an overview of the wholesale trading parameters on product level. It is available for downloading under the following path:

www.eurexchange.com > Trading > Wholesale Trading > Wholesale Trading Parameters

The Excel file contains the product parameter “Block Volume Publication Limit” (see column “Blk Vol Pub Limit”), which indicates the cap for the volumes up to which OTC Block Trades will be published in the particular products.

If you have any questions or require further information, please contact Dr. Michael Durica at tel. +49-69-211-1 -59 23 or e-mail to michael.durica@eurexchange.com.

November 25, 2010

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MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[…]

Annex B in relation to subsection 2.6 of the contract specifications:

Options on Shares of	Product-ID	Group ID*	Cash Market ID*	Contract Size	Maximum Term (Months)	Minimum Price Change	Currency **
[…]							
Kabel Deutschland Holding AG	KD8	DE12	XETR	100	24	0.01	EUR
Weatherford International Ltd.	WFT	CH12	XSWX	100	24	0.01	CHF
[…]							

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall. amongst other things. serve the purpose of determining a market place for the price of the share underlying the contract.

** GBX: Pence Sterling

[…]

Stock options with group ID:

AT12, BE12, CH12, DE12, ES12, FI12, FR12, IT12, NL12, SE12

Product	Product ID	Spread Class	Minimum Quote Size (Contracts) RMM/PMM	Number of Expirations to be quoted for RMM/PMM; the first
Stock Options on				
Kabel Deutschland Holding AG	KD8	7	10	6
Weatherford International Ltd.	WFT	6	10	6