X-pand into the Future

e u r e x *circular 049/03*

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Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Introduction of Sector-Based Margin Groups

Related Eurex Circulars: 084/02

Contact: Functional Help-desk Clearing: +49-69-21 01-12 50

Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments:

1. Eurex Margin Groups for Production
2. Eurex Margin Groups for Simulation

Effective June 2, 2003, new margin groups will be introduced classified according to sectors. Thus, the risk-reducing influence of high correlation between sector indices and shares is taken into account for the calculation of risk-based margining. As a consequence, opposing positions in stock options of the same sector as well as index derivatives and stock options of the respective sector will have reduced margin requirements.

In future, the composition of margin groups will be continuously monitored and, if necessary, adapted. This means that in case of a positive development of correlations, additional margin classes can be included into the respective margin group. If certain correlations develop in a negative sense, margin classes can be eliminated from the respective margin groups.

Attachment 1 contains a table with the new margin groups, the respective margin classes as well as the offset factors of the different margin groups in the production environment.

Attachment 2 shows a new margin group which will be introduced into simulation upon its planned re-opening at the beginning of May.

Eurex Clearing AG
D-60485 Frankfurt am Main
www.eurexchange.com

Functional Member Readiness
Tel. +49-69-2101-1700
Fax +49-69-2101-1701

Alternative
Tel. +49-69-9770-1700
Fax +49-69-9770-1701

Management Board:
Rudolf Ferscha, Daniel Gisler
Peter Reitz, Jürg Spillmann
Michael Widmer. Thomas Lenz (Deputy)

Eurex Margin Groups - Production

Margin Groups	Margin Classes	Offset Factor
STXI	ESI, AEN, ALV, INN; MUV2	100 %
STXM	ESM, VVU, VNU, WOS	100 %
STXU	ESU, EOA, RWE	100 %
STXY	ESY, STY, ASM, GTO, IFX, KUD, NOA3, SAP,SIE, TTEB	100 %
STXE	ESE, ROY,TOTB	100 %
STXB	ESB, STB, AAR, HVM, CBK, DBK, BAER, CSGN, UBSN	100 %
STXF	ESF, FO4, MLP, VDM	100 %
STXA	ESA, BMW, DCX, VOW	100 %
STXT	EST, STT, DTE, EIA, FTE, OAG, SET	100 %
STXH	ESH, STH, AVE, FME, QIA, ROG, SEO	100 %

Eurex Margin Groups - Simulation

Margin Groups	Margin Classes	Offset Factor
STXB	ESB, STB, DBK, CSGN, UBSN	100 %