X-pand into the Future

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High priority

Market Maker Obligations in Equity Options: Change

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- Front Office/Trading
- Middle + Backoffice
- IT/System Administration

Attachment:

Market Maker Obligations at Eurex, effective January 2, 2009 (only on the Eurex website)

Summary:

Effective **January 2, 2009**, quotation requirements for Market Makers in equity options at Eurex will be changed. The adjustment will affect parameters in the three different Market-Making models, i.e. Regular Market-Making (RMM), Permanent Market-Making (PMM) and Advanced Market-Making (AMM).

Minimum quote sizes and the spread class assignments are set according to market conditions and liquidity.

Members who are taking part in Market-Making are kindly requested to adjust their system settings accordingly. It is highly recommended to verify market maker performance in the first days of January 2009 using the respective Eurex MMPM reports.

Market Maker Obligations in Equity Options: Change

The minimum quote sizes for German, Swiss, French, Dutch, Scandinavian and Italian equity options are adjusted based on a scheme that captures market conditions and liquidity for each individual product. Further there will be adjustments in the spread class assignment (see list below).

The changes will become effective on January 2, 2009.

1. List of minimum quote sizes and spread class allocation

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
DJ EURO STOXX 50® components						
AEGON	AEN	1	NA	100	8	ESX50 NL
AIR LIQUIDE	AIR	2	NA	20	6	ESX50 FR
ALLIANZ	ALV	~~3~~ 2	NA	200	8	ESX50 DE
ALLSTOM	AOM	~~3~~ 2	20	10	6	ESX50 FR
ARCELOR MITTAL	ISPA	2	NA	50	7	FR/ NL/ ESX 50
AXA	AXA	2	NA	100	6	ESX50 FR
BASF	BAS	2	NA	50	8	ESX50 DE
BAYER	BAY	2	NA	50	8	ESX50 DE
BCO BILBAO VIZC ARGENT	BBVD	B	NA	20	8	ESX50 ES
BCO SANTANDER CENT HISP	BSD2	B	NA	20	8	ESX50 ES
BNP	BNP	2	NA	20	6	ESX50 FR
CARREFOUR	CAR	2	NA	50	6	ESX50 FR
CREDIT AGRICOLE	XCA	~~2~~ 1	NA	50	6	ESX50 FR
DAIMLER	DAI	2	NA	50	8	ESX50 DE
DANONE	BSN	2	NA	20	6	ESX50 FR
DEUTSCHE BANK	DBK	2	NA	50	8	ESX50 DE
DEUTSCHE BÖRSE	DB1	~~3~~ 2	NA	20	8	ESX50 DE
DEUTSCHE TELEKOM	DTE	1	NA	500	8	ESX50 DE
E.ON	EOA	~~3~~ 2	NA	20	8	ESX50 DE
ENEL	ENL5	A	NA	20	7	ESX50 IT
ENI	ENT5	A	NA	20	7	ESX50 IT
Fortis	FO4	~~2~~ 1	NA	100	8	ESX50/NL/BE
FRANCE TELECOM	FTE	2	NA	100	6	ESX50 FR
GAZ DE FRANCE	GZF	2	20	10	6	ESX50 FR
GENERALI	ASG5	A	NA	20	7	ESX50 IT
IBERDROLA	IBE	A	NA	20	8	ESX50 ES
ING	INN	~~2~~ 1	NA	100	8	ESX50 NL
INTESA SANPAOLO	IES5	B	50	20	6	ESX50 IT
L'OREAL	LOR	2	NA	20	6	ESX50 FR

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
DJ EURO STOXX 50® components						
LVMH	MOH	2	NA	20	6	ESX50 FR
MUENCHNER RÜCK 10	MUV2	3	NA	200	8	ESX50 DE
NOKIA	NOA3	~~2~~ 1	NA	200	8	ESX50 SC
PHILIPS	PHI1	~~2~~ 1	NA	100	8	ESX50 NL
RENAULT	RNL	~~3~~ 2	NA	20	6	ESX50 FR
REPSOL	REP	A	NA	20	8	ESX50 ES
RWE	RWE	2	NA	50	8	ESX50 DE
SAINT-GOBAIN	GOB	2	NA	50	6	ESX50 FR
SANOFI-AVENTIS	SNW	2	NA	20	6	ESX50 FR
SAP 50	SAP	2	NA	100	8	ESX50 DE
SCHNEIDER ELECTRIC	SND	2	50	20	6	ESX50 FR
SIEMENS	SIE	2	NA	50	8	ESX50 DE
SOCIETE GENERALE	SGE	~~3~~ 2	NA	20	6	ESX50 FR
TELECOM ITALIA	TQI5	A	NA	~~20~~ 50	7	ESX50 IT
TELEFONICA	TNE5	2	NA	50	8	ESX50 ES
TOTAL	TOTB	2	NA	50	6	ESX50 FR
UNICREDITO	CRI5	A	NA	20	7	ESX50 IT
UNILEVER	UNI	2	NA	100	8	ESX50 NL
VINCI	SQU	2	50	20	6	ESX 50 FR
VIVENDI	VVU	2	NA	100	6	ESX50 FR
VOLKSWAGEN	VOW	NA*	NA	10	8	ESX50 DE

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM / PMM		
Options on						
Swiss Equities						
ABB	ABBN	2	NA	100	8	CH
ACTELION	ATLN	2	50	20	6	CH
ADECCO	ADEN	2	NA	10	7	CH
BALOISE	BALN	~~3~~ 2	NA	10	7	CH
BB Biotech	BIO	~~3~~ 2	20	10	6	CH
CIBA	CIBN	2	NA	~~100~~ 200	8	CH
CIE FIN RICHEMONT	CFR	2	NA	20	7	CH
CLARIANT	CLN	~~2~~ 1	NA	50	7	CH
CREDIT SUISSE	CSGN	2	NA	50	8	CH

GEBERIT	GEBN	3	20	10	6	CH
GIVAUDAN	GIVN	5	NA	10	7	CH
HOLCIM	HOLN	~~3~~ 2	NA	10	7	CH
JULIUS BAER	BAER	2	NA	20	7	CH
KUDELSKI	KUD	~~2~~ 1	NA	20	7	CH
KUEHNE U NAGEL	KNIN	~~3~~ 2	~~50~~ 20	~~20~~ 10	6	CH
LOGITECH	LOGN	2	50	20	6	CH
LONZA	LONN	~~3~~ 2	NA	10	7	CH
NESTLE	NESN	2	NA	100	8	CH
NOBEL BIOCARE	NOBE	2	NA	~~20~~ 10	6	CH
NOVARTIS	NOVN	2	NA	100	8	CH
OC OERLIKON	OERL	~~5~~ 2	50	20	7	CH
PETROPLUS	PPHN	~~3~~ 2	20	10	6	CH
SONOVA HOLDING AG	SOON	~~3~~ 2	20	10	6	CH
ROCHE	ROG	~~4~~ 3	NA	~~20~~ 10	8	CH
SCHWEIZ.RUECKVERSICHER.	RUKN	~~3~~ 2	NA	~~100~~ 200	8	CH
SGS	SGSN	5	NA	10	7	CH
SULZER	SUN	~~3~~ 2	20	10	7	CH
SWISS LIFE	SLHN	~~4~~ 2	NA	~~50~~ 20	8	CH
SWISSCOM	SCMN	4	NA	20	8	CH
SYNGENTA	SYNN	4	NA	~~50~~ 20	7	CH
SYNTHES	SYST	3	NA	~~50~~ 20	6	CH
The SWATCH GROUP Bearer Shares	UHR	~~4~~ 3	NA	~~10~~ 20	7	CH
THE SWATCH GROUP	UHRN	2	NA	10	7	CH
UBS	UBSN	2	NA	100	8	CH
ZURICH FINANCIAL SERV	ZURN	4	NA	100	8	CH

Product	**Product ID**	**Spread Class**	**Minimum Quote Size (Contracts)**		**Number of expirations to be quoted for PMM/AMM;** the first	**AMM Package ID**
			RMM	**AMM/ PMM**		
Options on						
other Equities						
ACCOR	ACR	2	20	10	6	FR
Acerinox S.A.	ACE	2	50	20	6	ES
ACS	OCI1	2	20	10	6	ES
ADIDAS	ADS	2	NA	~~20~~ 10	8	DE
AHOLD	AHO	1	NA	~~50~~ 20	8	NL
Air France	AFR	~~2~~ 1	20	10	6	FR
AIXTRON	AIX	1	~~100~~ 50	~~50~~ 20	6	DE
AKZO NOBEL	AKU	2	NA	10	7	NL
ALCATEL-LUCENT	CGE	1	NA	~~200~~ 100	6	FR
ALTANA	ALT	~~2~~ 1	NA	20	8	DE
ARCANDOR	ARO	~~2~~ 1	~~20~~ 50	~~10~~ 20	6	DE

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
other Equities						
ASML	ASM	~~2~~ 1	NA	~~20~~ 10	7	NL
Austrian Airlines	AUA	~~B~~ 1	10	5	4	AT
Banco Popular Español S.A.	POP	1	100	50	6	ES
~~AUTOSTRADE~~ ATLANTIA	AOP5	B	~~50~~ 20	~~20~~ 10	6	IT
BEIERSDORF	BEI	2	50	20	6	DE
BELGACOM S.A.	BX7	2	20	10	6	BE
BILFINGER BERGER	GBF	2	20	10	6	DE
BMW	BMW	2	NA	50	8	DE
BOUYGUES	BYG	2	20	10	6	FR
Bwin Int. Entert.	BWIN	~~B~~ 1	10	5	4	AT
CAP GEMINI	CGM	2	20	10	6	FR
CASINO GUICHARD	CAJ	2	20	10	6	FR
CELESIO	CLS	2	20	10	6	DE
COMMERZBANK	CBK	~~2~~ 1	NA	50	8	DE
Conergy	CGY	~~2~~ 1	20	10	6	DE
CONTINENTAL	CON	2	NA	10	8	DE
Corio N.V.	CL6	2	20	10	6	NL
Delhaize Group S.A.	DHZ	2	20	10	6	BE
DEPFA BANK	DEP	~~2~~ 1	~~100~~ 50	~~50~~ 20	6	DE
DEUTSCHE POST	DPW	~~2~~ 1	NA	50	8	DE
DEUTSCHE POSTBANK	DPB	~~2~~ 1	20	10	6	DE
DEXIA	DXB	~~2~~ 1	~~20~~ 50	~~10~~ 20	6	FR/BE
EADS	EAD	~~2~~ 1	50	20	6	FR
ELECTRICITE DE FRANCE	E2F	2	20	10	6	FR
ELISA COMMUNICATIONS	EIA	B	~~50~~ 20	~~20~~ 10	6	SC
ELSEVIER	ELV	1	NA	~~20~~ 10	6	NL
~~EPCOS~~	~~EPC~~	~~1~~	~~50~~	~~20~~	~~7~~	~~DE~~
ERICSSON	ERCB	A	~~200~~ 100	~~100~~ 50	8	SC
Erste Bank der Oesterr. Spk	EBS	~~B~~ 2	10	5	4	AT
Essilor	ESL	2	20	10	6	FR
FIAT	FIA5	A	~~50~~ 20	~~20~~ 10	7	IT
FORTUM	FOT	B	~~100~~ 50	~~50~~ 20	6	SC
FRAPORT	FRA	2	20	10	6	DE
FREENET	FNT	~~2~~ 1	~~50~~ 20	~~20~~ 10	6	DE
FRESENIUS MEDICAL CARE	FME	2	NA	10	8	DE
FRESENIUS VZ	FRE3	2	20	10	6	DE
GEA	G1A	~~2~~ 1	~~50~~ 20	~~20~~ 10	6	DE
HANNOVER RUECK	HNR1	2	20	10	6	DE
HEINEKEN	HNK	2	NA	10	7	NL

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
other Equities						
HENKEL	HEN3	2	NA	10	8	DE
HOCHTIEF	HOT	2	20	10	6	DE
HYPO REAL ESTATE	HRX	~~2~~ 1	NA	~~10~~ 20	8	DE
Immoeast	IEA	~~B~~ 1	10	5	4	AT
INBEV S.A.	ITK	~~2~~ 1	20	10	6	BE
Industria de Diseño Textil S.A.	IXD	2	20	10	6	ES
INFINEON	IFX	1	NA	200	8	DE
Intercell	ICL	~~B~~ 2	10	5	4	AT
KBC Groep N.V.	KDB	2	20	10	6	BE
K+S	SDF	~~3~~ 2	20	10	6	DE
KLOECKNER	KCO	~~2~~ 1	20	10	6	DE
KONINKLIJKE	DSM	2	NA	~~20~~ 10	6	NL
KPN	KPN	1	NA	~~50~~ 20	7	NL
LAFARGE	CIL	~~3~~ 2	NA	10	6	FR
LANXESS	LXS	~~2~~ 1	20	10	6	DE
LINDE	LIN	2	NA	10	8	DE
LUFTHANSA	LHA	~~2~~ 1	NA	50	8	DE
MAN	MAN	~~3~~ 2	NA	~~20~~ 10	8	DE
MEDIASET	MDS5	B	~~50~~ 20	~~20~~ 10	6	IT
MERCK	MRK	2	20	10	6	DE
METRO	MEO	2	NA	~~20~~ 10	8	DE
MLP	MLP	1	50	20	7	DE
NESTE OIL CORP	NEF	B	~~50~~ 20	~~20~~ 10	6	SC
NORDEA BANK	NDB	B	100	50	6	SC
OMV	OMV	~~B~~ 2	10	5	4	AT
Österreichische Post	PST	~~B~~ 2	10	5	4	AT
PERNOD-RICARD	PER	2	20	10	6	FR
PEUGEOT	PEU	~~2~~ 1	20	10	6	FR
PINAULT PRINTEMPS	PPX	~~3~~ 2	20	10	6	FR
PORSCHE	POR3	~~3~~ 2	~~20~~ 50	~~10~~ 20	6	DE
Premiere	PRE	1	50	20	6	DE
PUBLICIS GROUPE	PU4	2	20	10	6	FR
Q-Cells	QCE	2	20	10	6	DE
QIAGEN	QIA	1	50	20	6	DE
Raiffeisen Int. Bank-Hldg	RIBH	~~B~~ 2	10	5	4	AT
Randstadt	RSH	~~2~~ 1	NA	10	6	NL
RHI	RHI	~~B~~ 1	10	5	4	AT
ROYAL DUTCH SHELL A	ROY	2	NA	50	8	NL
SALZGITTER	SZG	~~3~~ 2	20	10	6	DE

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
other Equities						
SAMPO	SMPA	B	~~100~~ 50	~~50~~ 20	6	SC
SBM OFFSHORE	SBMO	~~2~~ 1	NA	10	6	NL
SGL CARBON	SGL	2	20	10	6	DE
SODEXHO ALLIANCE	SJ7	2	20	10	6	FR
SOLARWORLD	SWV	~~2~~ 1	~~20~~ 50	~~10~~ 20	6	DE
Stada	SAZ	2	20	10	6	DE
STMICROELECTRONICS	SGM	1	50	20	6	FR
STORA ENSO	ENUR	A	~~100~~ 50	~~50~~ 20	6	SC
STRABAG	STR	~~B~~ 1	10	5	4	AT
~~SUEZ~~	~~LYO~~	~~2~~	~~NA~~	~~100~~	~~6~~	~~FR~~
TELECOM ITALIA	TQIR	A	~~50~~ 20	~~20~~ 10	7	IT
Telekom Austria	TK1	~~B~~ 1	10	5	4	AT
TELIASONERA	TLSN	A	~~50~~ 20	~~20~~ 10	6	SC
TF1	FSE	~~2~~ 1	20	10	6	FR
THALES	CSF	2	20	10	6	FR
THOMSON	TNM	1	~~20~~ 50	~~10~~ 20	6	FR
THYSSEN	TKA	2	NA	20	8	DE
TIETO ENATOR	TTEB	B	~~50~~ 20	~~20~~ 10	6	SC
TNT	TNT	~~2~~ 1	NA	10	6	NL
TOM TOM	OEM	~~2~~ 1	NA	10	6	NL
TUI	TUI	~~2~~ 1	NA	~~50~~ 20	8	DE
UCB S.A.	UNC	2	20	10	6	BE
Umicore S.A.	NVJ	~~3~~ 1	20	10	6	BE
Unibail-Rodamco SIIC	UBL	3	20	10	6	FR/NL
UNITED INTERNET	UTDI	~~2~~ 1	50	20	6	DE
UPM-KYMMENE	RPL	A	~~100~~ 50	~~50~~ 20	6	SC
VALOUREC	VAC	~~4~~ 2	20	10	6	FR
VAN DER MOOLEN	VMH	1	NA	~~10~~ 20	7	NL
VEDIOR	VED	~~2~~ 1	NA	10	6	NL
VEOLIA ENVIRONMENT	VVD	2	20	10	6	FR
Verbundgesellschaft Kat. A	VER	~~B~~ 2	10	5	4	AT
VOESTALPINE	VOE	~~B~~ 2	10	5	4	AT
WACKER CHEMIE	WCH	~~3~~ 2	20	10	6	DE
Wiener Städtische Versicherung	WST	~~B~~ 2	10	5	5	AT

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
other Equities						
WIENERBERGER	WIE	~~B~~ 1	10	5	4	AT
WOLTERS KLUWER	WOS	~~2~~ 1	NA	10	6	NL

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
Russian Depository Receipts						
Lukoil (OAO)	LUK	2	50	20	6	RU
MMC Norilsk Nickel	NNIA	B	100	50	6	RU
OAO Gazprom	GAZ	2	100	50	6	RU
OJSC Rosneft	OJS1	A	50	20	6	RU
Surgutneftegaz	SGN	A	50	20	6	RU

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM / PMM		
EXTF Options on						
iShares DAX® (DE)	EXS1	A	50	20	7	
iShares Dow Jones EURO STOXX 50®	EUN2	A	~~50~~ 20	~~20~~ 10	7	
XMTCH on SMI®	XMT	A	~~50~~ 20	~~20~~ 10	7	

(*) Maturity Range: The maturity range is defined in expirations. With the standard Eurex expiration cycle 24, 18 and 12 months to maturity represent 8, 7 and 6 expirations respectively, which have to be covered in AMM and PMM to fulfill obligations.

Maximum Spreads

Bid up to	Maximum Spreads		Bid up to	Maximum Spreads		Bid up to	Maximum Spreads	
	Expiration months			Expiration months			Expiration months	
	≤ 8	> 8		≤ 8	> 8		≤ 8	> 8
Stock options (except VOW) and EXTF Options								
Spread Class 1			**Spread Class 2**			**Spread Class 3**		
0 - 1.00	0.10	0.15	0 - 1.50	0.15	0.25	0 - 2.00	0.20	0.30
1.01 - 5	10%	15%	1.51 - 15	10%	15%	2.01 - 20	10%	15%
> 5	0.50	0.75	> 15	1.5	2.25	> 20	2.00	3.00
Spread Class 4			**Spread Class 5**					
0 - 5.00	0.50	0.75	0 - 20	2.00	3.00			
5.01 - 50.00	10%	15%	20.00 - 200	10%	15%			
> 50.00	5.00	7.50	> 200	20.00	30.00			
Spread Class A			**Spread Class B**					
0 - 1.00	0.15	0.20	0 - 1.00	0.20	0.25			
1.01 - 15.00	15%	20%	1.01 - 15.00	20%	25%			
> 15.00	2.25	3.00	> 15.00	3.00	3.75			

Volkswagen (VOW):

Bid up to	Maximum Spreads	
	Expirations	
	≤8	> 8
0 - 20	4.00	6.00
20.01 - 200	20%	30%
> 200	40.00	60.00

2. The new Market Maker obligations can be found as well on the Eurex website under the path:

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

Frankfurt, December 18, 2008