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Single Stock Futures: Introduction of an intra-day non-disclosure Limit for OTC Block Trades

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Content may be most important for:

➲ All departments

Attachments:

none

Summary:

On December 10, 2008, the Management Board of Eurex Clearing AG set the intra-day non-disclosure limit for OTC Block Trades in all SSFs at 1,000 contracts.

OTC Block Trades (trade type: “O”) and Block Auction trades (trade type: “A”) in SSFs as of and including 1,000 contracts will not be published intra-day in the relevant GUI trading windows. The whole trade quantity, including the trade volume not disclosed intraday, will be updated and broadcast to the market after the product state has changed to Post-Trading Restricted.

The effective date for the non-disclosure of OTC Block Trades in SSFs will be **January 14, 2009**.

This facility is already available in the Eurex Simulation environment and will be in place until January 13, 2009.

The volume of each trade will be validated against a non-disclosure limit on product level set by Eurex.

Single Stock Futures: Introduction of an intra-day non-disclosure Limit for OTC Block Trades

1. Definition of Non-Disclosure Limit

On December 10, 2008, the Management Board of Eurex Clearing AG set the intra-day non-disclosure limit for OTC Block Trades in all SSFs at 1,000 contracts.

OTC Block Trades (trade type: "O") and Block Auction trades (trade type: "A") in SSFs as of and including 1,000 contracts will not be published intra-day in the relevant GUI trading windows. The whole trade quantity, including the trade volume not disclosed intraday, will be updated and broadcast to the market after the product state has changed to Post-Trading Restricted.

The effective date for the non-disclosure of SSF Block Trades will be January 14, 2009.

This facility is already available in the Eurex Simulation environment and will be in place until January 13, 2009.

The volume of each trade will be validated against a non-disclosure limit on product level set by Eurex.

2. Overview of the Eurex GUI Trading Windows for non-disclosure of the OTC Block Trades

Affected Windows within Eurex GUI	Intra-day Non-Disclosure of Volume in the Following Fields				
	FutVol	PVol	CVol	Qty	Volume
Trading Support - Product Statistics Overview	✓	✓	✓	n/a	n/a
Trading Support - Contract Statistics Overview	n/a	✓	✓	n/a	n/a
Market Information - Online Time and Sales Sheet	n/a	n/a	n/a	✓	n/a
Market Information - Market Overview	n/a	✓	✓	n/a	n/a
Market Information - Contract Overview	n/a	n/a	n/a	n/a	✓

n/a = not applicable

Trades exceeding the non-disclosure limit will neither be provided intra-day by public broadcast streams nor by inquiries containing public market data. In addition, the accumulated trade quantity will not consider those trades. Consequently, the following Eurex GUI windows containing intra-day public market data will neither disclose trades exceeding the non-disclosure limit nor will consider these trades in accumulated trade quantities.

Since strategy trades are decomposed in separate trade legs, the non-disclosure limit also applies for strategy trade legs with volumes exceeding the limit.

In contrast to public market information, broadcast streams and inquiries containing private market data will include all trades as usual.

The state change to Post Restricted triggers the update of the total traded quantities in the **Trading Support - Product Statistics Overview** window.

After the batch the reports also contain the updated volumes including the non-disclosed ones.

3. Non-affected volume publication

Please note that the non-disclosure will not affect:

- Trades other than OTC Block Trades and Block Auction trades in Single Stock Futures;
- The open interest displayed in the **Market Overview** window, since it applies to the previous business day;
- Trades in IPS products.

After the Trade Reversal of an OTC Block Trade or Block Auction Trade the non-disclosure is applied to, the total trade quantity will not be reduced.

4. Online information about the non-disclosure limit

An overview of all main wholesale trading parameters in the Excel file "Eurex Product List and Product Grouping" is available under the path:

www.eurexchange.com > Trading > Wholesale Trading Parameters

As of January 14, 2009 the parameter "Block Volume Publication (BlkVolPubl)" which contains the maximum volume level up to which OTC Block Trades in the relevant products are disclosed will be added to this list.

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