Eurex Circular 049/18

FX Options: Extension of trading hours

Summary

FX trading takes place around the clock all over the world, starting on Monday morning New Zealand time and closing Friday afternoon New York time. Following the introduction of extended trading and clearing hours (23 hours) for FX Futures in February 2017, the Management Board of Eurex Deutschland decided to extend also trading of FX Options to 23 hours with effect from **2 July 2018**.

Trading of FX Options on the T7 platform will be discontinued on 29 June 2018. All open orders will be deleted after close of trading on that business day. FX Options will be available for 23-hour trading in the T7/FX environment as of 2 July 2018.

This circular contains the most important details, the timeline for the extension of the trading and clearing hours, and the changed contract specifications for FX Options.

Attachment:

- Amended sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland

Date: 28 June 2018

Recipients:
All Trading Participants of Eurex Deutschland and Vendors

Authorized by:
Michael Peters

Target groups:
- All departments

Related Eurex circulars:
087/16, 044/18

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FX Options: Extension of trading hours

1. Trading hours (all times are CET)

The extension of trading and clearing hours is valid for all FX Options tradable on Eurex, i.e.:

Currency pair	Product ID		Currency pair	Product ID
AUD / JPY Options	OCAY		EUR / USD Options	OCEU
AUD / USD Options	OCAU		GBP / CHF Options	OCPF
EUR / AUD Options	OCEA		GBP / USD Options	OCPU
EUR / CHF Options	OCEF		NZD / USD Options	OCNU
EUR / GBP Options	OCEP		USD / CHF Options	OCUF
EUR / JPY Options	OCEY		USD / JPY Options	OCUY

The amended trading hours, valid as of 2 July 2018, are shown below:

Product	Pre-trading period	Continuous trading	Post-trading full period	Block trade entry	Last trading day	
					Trading until	Exercise until
FX Options	23:55 - 00:00	00:00 - 23:00	23:00 - 23:05	00:00 - 23:00	15:00	16:00

Please note that trading on the first day after a weekend or exchange holiday starts at 00:30 CET.

On an expiration day of a maturing FX Options series, continuous trading and Block Trade entry ceases at 15:00 CET on the third Wednesday of the expiration month. After the expiration of FX Options contracts, the introduction of subsequent contracts takes place on the second exchange day after the last trading day of the respective expiration month.

23-hour trading of FX Options will be performed on the trading platform T7/FX. This complements the FX product offering on T7/FX, thus the complete strategy spectrum offered is available for FX products as well, including Vola Strategies. This limitation previously existed due to trading on different instances and will be eliminated with the trading and clearing hour extension of FX Options.

Trading Participants (not already connected to T7/FX) need to have additional access rights and a new trading session.

2. Clearing and risk management

All trades executed on T7/FX will be captured and cleared in C7. A trade capture report will be sent out immediately using FIXML. Position management and transaction management functions using C7 will be available from 07:00 CET until the end of the Post-Trading phase (23:05 CET).

Calculation of the initial margins for the FX Options is unaffected and completely integrated into the margin methodology Eurex Clearing Prisma. Margin offsets will be granted between FX Options and FX Futures within the same liquidation group. Margin figures for Trading Participants exposed to FX products are calculated as well during the night time (between 00:00 CET and 07:00 CET). During this time span, Eurex Clearing issues margin reports on a 10-minute interval showing the margin shortfall or surplus.

The Intra-Day Margin call process is applicable during the complete trading day. Margin Calls issued in the time between 00:00 CET and 07:00 CET can only be fulfilled using Australian dollar cash payments only.

3. Production rollout

Trading of FX Options on the T7 platform will be discontinued on 29 June 2018 after the close of trading. All product assignments of FX Options on T7 will be removed latest on 29 June 2018. All open orders will be deleted after close of trading on that business day.

FX Options will be available for 23-hour trading in the T7/FX environment as of 2 July 2018. Please note: For trading of FX Options after the migration, Trading Participants need a connection to T7/FX, as outlined in Eurex circular 087/16. Furthermore, new product assignments for FX options in T7/FX are required. Both can be requested using the form "Application for Participation in Trading FX-Products/23 h Trading".

If you have any questions or need further information please contact your personal Key Account Manager Trading or send an e-mail to customer.readiness@eurexchange.com.

28 June 2018

Attachment to Eurex circular 049/18

Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland

Eurex14e, as of 02.07.2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Part 1 Contract Specifications for Futures Contracts

[…]

Part 2 Contract Specifications for Options Contracts

[…]

Subpart 2.12 Contract Specifications for FX Options Contracts

This subpart contains contract specifications for options contracts on currencies (Foreign Exchange), which are hereinafter referred to as “FX Options Contracts”.

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2.12.4 Term

(1) For FX Options Contracts, terms expiring on the final settlement day (as defined in Subsection 2.12.5 Paragraph 1) of the next three months, the next three quarter expiration months (March, June, September, December) and the next four half year expiration months (June, December) are available for trading at Eurex Deutschland.

(2) After the expiry of FX Options Contracts according to Paragraph 1, the introduction of subsequent contracts shall be on the second exchange day after the last trading day of the respective expiry month.

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Annex C in relation to Contract Specifications:

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Trading Hours for Options Contracts

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FX Options Contracts

Product	Product ID	Pre-Trading Period*	Continuous Trading*	Post-Trading Period Until	Off-book Trading Period*	Off-book Post-Trading Period until	Last Trading Day	
							Trading Until	Exercise until
Sterling - Swiss Franc Options	OCPF	2307:55 30-0800:00	0008:00-2319:300	230:305	0008:00-230:00	230:015	15:00	16:00
Sterling - US Dollar Options	OCPU	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Euro - Sterling Options	OCEP	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Euro - Swiss Franc Options	OCEF	2307:55 30-0008:00	0008:00-2319:030	203:305	0008:00-230:00	230:015	15:00	16:00
Euro - US Dollar Options	OCEU	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
US Dollar - Swiss Franc Options	OCUF	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Australian Dollar - US Dollar Options	OCAU	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Australian Dollar - Japanese Yen Options	OCAY	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Euro - Australian Dollar Options	OCEA	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
Euro - Japanese Yen Options	OCEY	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
US Dollar - Japanese Yen Options	OCUY	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00
New Zealand Dollar - US Dollar Options	OCNU	2307:55 30-0008:00	0008:00-2319:030	230:305	0008:00-230:00	230:015	15:00	16:00

On an expiry day of a series (second exchange day immediately preceding the third Wednesday of the expiry month) the Continuous Trading and the off-book trading will end for the expiring contract at 15:00.

All times CET or CEST

* On the first trading day after a weekend and on the first trading day after a holiday, the Pre-Trading Period starts at 00:25 and Continuous Trading at 00:30. The Off-Book-Trading Period on such days starts at 00:30.

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