X-pand into the Future

eurex circular 029/11

Date: February 4, 2011
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Senders: 1. Eurex Deutschland and Eurex Zürich
2. Eurex Clearing AG
Authorized by: Michael Peters

EURIBOR-Futures: Extension of Designated Market-Making Scheme

Related Eurex Circulars: 241/09

Contact: Joachim Heinz, tel. +49-69-211-1 59 55, fax +49-69-211-61 59 55,
e-mail: joachim.heinz@eurexchange.com

Content may be most important for:

➲ Front Office/Trading

Attachments:

1. Designated Market Maker Application Form
2. Designated Market Maker Quote Obligations

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG have decided to extend the Designated Market-Making Scheme for EURIBOR futures. The programme will run from **March 1, 2011 until December 31, 2013**. It is designed to guarantee and improve liquidity in the order book.

Please contact Joachim Heinz on tel. +49-69-211-1 59 55, fax +49-69-211-61 59 55 or e-mail joachim.heinz@eurexchange.com for any questions you may have.

EURIBOR-Futures: Extension of Designated Market-Making Scheme

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG have decided to extend the Designated Market-Making Scheme for EURIBOR futures. The programme will run from March 1, 2011 until December 31, 2013. It is designed to create and improve liquidity in the order book.

As Designated Market Makers, Eurex Members undertake to continually provide bid and ask prices (quotes) for a specified minimum number of contracts and in compliance with maximum spreads for a predefined period of time.

Provided the Designated Market Maker fulfills his/her obligations, Eurex Clearing AG will in return refund 100 percent of trading and clearing fees for the trades transacted by the Designated Market Maker on M accounts.

Subject to the condition that specific daily trading volumes are attained, Designated Market Makers will be credited additional monthly amounts in 2011 as well as a revenue share for 2012 and 2013, both according to their trading share within the group of TOP 5 Designated Market Makers.

Please see attachments 1 and 2 for the detailed parameters of the Designated Market-Making Scheme.

Members who are interested in participating are requested to fill out and return the attached Designated Market Maker application (attachment 1) to Joachim Heinz, Eurex Product Strategy, fax +49-69-211-61 59 55.

February 4, 2011

Application Form - Designated Market Making Scheme

To Eurex
Product Development
Joachim Heinz
Mergenthalerallee 61

65670 Eschborn

Fax no.: +49-69-211-61 59 55

Application for the Status of Designated Market Maker in EURIBOR Futures

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in the following contract in the EURIBOR Futures (FEU3) for the period from **March 1, 2011 until December 31, 2013 (commitment period)** in accordance with the terms and conditions stated in the Quote Obligations (attachment).

2. As a Designated Market Maker

   a) we will provide bid and ask quotes or orders on a continuous basis

      - for the minimum number of contracts specified in the quote obligations
      - in compliance with the Maximum Spreads specified in the quote obligations; and
      - for the period of time specified in the quote obligations

   b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

   c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Making; and

   d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.

3. Eurex will in return

   a) – if wished - mention the name of the Eurex member with the Designated Market Maker status in advertising and informative material in connection with the contracts;

   b) – if wished - make Eurex spokesmen and printed material available for seminars organized by the Designated Market Makers regarding the fixed income futures; and

c) refund all trading and clearing fees for the contracts traded by the Designated Market Makers on Market Maker (M) - accounts up to December 31, 2013 upon fulfillment.

d) grant a monthly stipend (from March 2011 until December 2011) of x% of 15,000 euros provided the monthly average volume in the EURIBOR Futures exceeds 4,000 contracts per day, whereas “x” is defined by the monthly trading share of each market maker within the group of the TOP 5 market makers.

e) pay out 50% of the Eurex revenues in EURIBOR Futures in 2012 if the daily average of the fourth quarter 2011 exceeds 6,000 contracts per day and the market maker has fulfilled its quote obligation. The liquidity pool will be distributed according to the trading share of each market maker within the group of TOP 5 market makers.

f) pay out 50% of the Eurex revenues in EURIBOR Futures in 2013 if the daily average of the fourth quarter 2012 exceeds 8,000 contracts per day and the market maker has fulfilled its quote obligation. The liquidity pool will be distributed according to the trading share of each market maker within the group of TOP 5 market makers.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex. In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the agreement. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.

6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the Designated Market Makers must, for their part, ensure that the Designated Market Makers can also be promptly advised that this situation has ceased to exist.

7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on December 31, 2013. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

8. The associated Quote Obligations (attachment) are an integral part of this application.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Place, date

_____	_____
Name	Position
_____	_____
Phone	Fax
_____	_____
(Signature / Stamp of the firm)	E-mail address

Please send the completed application for the status of Designated Market Maker to the indicated fax number.

Attachment to the application for the Status of Designated Market Maker in EURIBOR Futures:

Quote Obligations

Eurex Code: **FEU3**

Minimum Size:

1st White Month:	500 contracts
2nd-4th White Months:	400 contracts
5th-6th Red Months:	200 contracts
7th-8th Red Months:	100 contracts
Green Months:	50 contracts
Blue Months:*	25 contracts
Gold Months:*	25 contracts

symmetrical on the bid and ask side

Maximum Spread:

White Months:	1 ticks
Red Months:	1.5 ticks
Green Months:	2 ticks
Blue Months:*	3 ticks
Gold Months:*	5 ticks

Quotation Period:

White Months:	80%
Red Months:	80%
Green Months:	70%
Blue Months:*	60%
Gold Months:*	0%

of the daily trading period between 08:00 a.m. CET and 07:00 p.m. CET on a monthly average

In fast market conditions the spread will be doubled and the number of contracts will be halved.

The commitment period starts March 1st, 2011 and ends December 31, 2013

* Blue & Gold contract months not yet listed. Obligation will be valid with potential product introduction in 2011. Quotation in Gold contract months is on voluntary basis.