Deutsche Börse

To the Members of
DTB Deutsche Terminbörse

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Change of the Pricing-Offset for the LIB3-LIB1 Spread (LIBS) 04/16/1998
Circular No. 19/97

Dear Sir or Madam,

for technical reasons, during the course of the implementation of a reduced tick size in our Money Market futures LIB1 and LIB3, the product parameter 'maximum price' had to be reduced from 100.00 to 99.995. In consequence, the pricing-offset parameter for the LIB3-LIB1 spread, which was 100.00 points before, had to be reduced as well and was set to 10.000 points. This parameter serves to avoid negative prices, which might occur in LIB3 versus LIB1 spread-trades, whenever the price of the LIB3-contract is lower than the price of the respective LIB1 maturity.

Example:

- 96,450 (LIB3) - 96,325 (LIB1) + 10,000 (Offset) = 10,125 (Spread Price)
- 96,450 (LIB3) - 96,600 (LIB1) + 10,000 (Offset) = 9,850 (Spread Price)

For further information concerning the Inter-Product-Spreads available in the DTB-system see our circular 24/97 „Introduction of Inter-Product- Spreads" dated April, 14th 1997.

If you have any questions, please feel free to call Stefan Brendgen at +49-69/2101-5743.

Yours sincerely,

Jörg Franke Christian Klapproth

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