

# Eurex FX

## Options on FX Futures

05 February 2021



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## Launch of Options on FX Futures

- To build on the Eurex FX Futures product offering and enable clients to better manage risk and customise trading strategies, Eurex is launching exchange traded Options on FX Futures on G7 currencies. These products will complement the growing FX Futures and Rolling Spot Futures contracts.
- These products enable clients to utilise FX Options while benefiting from the safety and security of Eurex Clearing as a central counterparty and Eurex's expertise in running an options orderbook.
- The products are in production as of 14 December 2020 with a formal market launch on 1 Feb 2021.

### Product Currencies

EUR/AUD, EUR/CHF, EUR/GBP, EUR/JPY, EUR/USD, GBP/USD, GBP/CHF, AUD/JPY, AUD/USD, NZD/USD; USD/CHF, USD/JPY

### Contract Specs

European Style, Contract size of 100,000 base currency, deliver into future (nearest date), Tick increment 0.00001 (1/10<sup>th</sup> Pip)\*

### Contract Dates

Monthly options on the nearest futures contract with expiries available up to one year. Expiries on Second Friday of each month.

In addition to the initial launch scope, further developments are planned including weekly options, flex options (allowing customised dates and strikes) and additional currencies.

\*Except JPY Pairs, these trade in 0.001 increments

# Eurex FX

## Product Specifications: Options on FX Futures (1/2)

Currency Pair		EUR/USD	EUR/GBP	EUR/AUD	EUR/CHF	EUR/JPY	GBP/USD
Minimum Price Change		0,00001	0,00001	0,00001	0,00001	0,001	0,00001
Contract Size		1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency
Underlying		FCEU	FCEP	FCEA	FCEF	FCEY	FCPU
Product Code	T7	EUCO	EPCO	EACO	EFCO	EYCO	PUCO
	Bloomberg	FEEA Curncy OMON	FCPA Curncy OMON	FZBA Curncy OMON	FCAA Curncy OMON	FZAA Curncy OMON	FUPA Curncy OMON
Transaction Fee	Order Book	0.30 USD	0.30 USD (0.24 GBP)	0.30 USD	0.30 USD (0.32 CHF)	0.30 USD (40 JPY)	0.30 USD
	Block & EFP	0.45 USD	0.45 USD (0.36 GBP)	0.45 USD	0.45 USD (0.48 CHF)	0.45 USD (60 JPY)	0.45 USD
Initial Margin		EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) – Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities
Variation Margin		USD - Cash	GBP - Cash	AUD - Cash	CHF - Cash	JPY - Cash	USD - Cash
Settlement		Physical	Physical	Physical	Physical	Physical	Physical

# Eurex FX

## Product Specifications: Options on FX Futures (2/2)

Currency Pair		GBP/CHF	USD/CHF	USD/JPY	AUD/JPY	AUD/USD	NZD/USD	
Minimum Price Change		0,00001	0,00001	0,001	0,001	0,00001	0,00001	
Contract Size		1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	1 futures contract / 100,000 base currency	
Underlying		FCPF	FCUF	FCUY	FCAY	FCAU	FCNU	
Product Code		T7 PFCO	UFCO	UYCO	AYCO	AUCO	NUCO	
Bloomberg		FCCA Curncy OMON	UFCA Curncy OMON	FZLA Curncy OMON	FZIA Curncy OMON	FZCA Curncy OMON	FZEA Curncy OMON	
Transaction Fee		Order Book	0.30 USD (0.32 CHF)	0.30 USD (0.32 CHF)	0.30 USD (40 JPY)	0.30 USD (40 JPY)	0.30 USD	0.30 USD
Block & EFP		0.45 USD (0.48 CHF)	0.45 USD (0.48 CHF)	0.45 USD (60 JPY)	0.45 USD (60 JPY)	0.45 USD	0.45 USD	
Initial Margin		EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	EUR (GBP, CHF, USD) - Cash & Securities	
Variation Margin		CHF - Cash	CHF - Cash	JPY - Cash	JPY - Cash	USD - Cash	USD - Cash	
Settlement		Physical	Physical	Physical	Physical	Physical	Physical	

# LP Scheme

## Options on FX Futures

<b>Terms</b>	<p>The LP Scheme runs from 01.02.2021 until 31.12.2023</p> <p>The LP Scheme includes 1 product group: Options on FX Futures</p> <p>The LP Scheme includes 4 incentive components:</p> <ul style="list-style-type: none"><li>• Up to 100% Fee rebate</li><li>• Six months stipends of up to €15k for early joiners</li><li>• Up to 40% Revenue Sharing limited to the Top 5 LPs based on their market share</li><li>• Additional “Market Share” incentive for the first 18 months of € 250.000 based on different ADV levels to be shared between the Top 5 LPs based on their market share</li></ul>								
<b>Currency Pairs</b>	<p>Options on FX Futures:</p> <p>Currently, there are twelve currency pairs for each product group available for LPs in which they can fulfil the requirements:</p> <p><b>EUR/USD / EUR/AUD / GBP/CHF / USD/CHF / AUD/USD / EUR/CHF / EUR/JPY / GBP/USD / USD/JPY / AUD/JPY / EUR/GBP / NZD/USD</b></p> <ul style="list-style-type: none"><li>• LPs are required to quote 6 out of the 12 currency pairs with seven strikes in each</li><li>• The one major currency pair is always required to be quoted: <i>EUR/USD</i></li></ul>								
<b>Required Coverage</b>	<p>35% of the period 00:00 to 23:00 CET to be covered (~8 hours)</p>								
<b>Revenue Share</b>	<p>Up to 40% of the net revenues (order book and off-book) of all Options on FX Futures in the respective month.</p>								
<b>Additional Market Share</b>	<p>An Additional Market Share Incentive in total of € 250.000 (split in three one time payments) among up to five LPs will be offered in the timeframe 1 Feb 2021 – 31 July 2022 if the average daily trading volume in all Options on FX Futures during one month is equal or higher than:</p> <table><thead><tr><th><u>ADV Level</u></th><th><u>Payout</u></th></tr></thead><tbody><tr><td>7.500</td><td>€ 25.000</td></tr><tr><td>15.000</td><td>€ 75.000</td></tr><tr><td>25.000</td><td>€ 150.000</td></tr></tbody></table> <p><b>For more information go to: <a href="#">Attachment 4 to Eurex circular 085/20</a></b></p>	<u>ADV Level</u>	<u>Payout</u>	7.500	€ 25.000	15.000	€ 75.000	25.000	€ 150.000
<u>ADV Level</u>	<u>Payout</u>								
7.500	€ 25.000								
15.000	€ 75.000								
25.000	€ 150.000								

# Thank you!

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