X-pand into the Future

e u r e x *circular 004/01*

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Introduction of Sector Index Futures based on Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Indexes

Related Eurex Circulars: 092/00

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Content may be most important for:	**Attachments:**
➲ All Departments	Draft Contract Specifications

Summary:

On **March 19, 2001**, Eurex will introduce futures on the Market Sector Indexes for Banks, Healthcare, Technology and Telecommunications based on the Dow Jones STOXX^{SM} 600 and the DJ EURO STOXX^{SM} Size indexes.

This circular provides detailed information under the following headings:

1. **Introduction date**
2. **Products**
3. **Contract Specifications**
4. **Trading hours**
5. **Transaction Fees**
6. **Transaction Limits**
7. **Simulation**
8. **Dow Jones STOXX^{SM} Index Guide**
9. **Designated Market Making**
10. **Further Information**

Introduction of Sector Index Futures based on Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Indexes

In their meeting of 17 January, 2001 the Eurex Management Board made the decision to introduce Market Sector Index Futures based on the Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Indexes.

The successfully established Eurex STOXX products will therefore be extended by four Sector Index Futures on each of the Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Indexes. Members will be able to trade futures on the Banks, Healthcare, Technology, and Telecommunications sectors covering the euro-zone as well as Europe-wide. The Sector Index Futures will be set up in essentially the same way as the existing (EURO) STOXX 50^{SM} Futures.

In order to take account of lower investment volumes, and the range of values of the sector indexes in comparison to the STOXX^{SM} Blue Chip indexes, the contract multiplier of EUR 50 per index point has been selected. This results in an average over the eight new products of approximately half the contract value of EURO STOXX 50^{SM} Futures.

1. Introduction Date

The planned introduction date for all eight futures contracts is **Monday 19 March, 2001** (maturity date of March 2001 contracts). From that date, June, September and December 2001 maturity months will be available.

2. Products

The following identification symbols and numbers will apply to the Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Sector Index Futures:

Product	Eurex Code	WKN	ISIN	Underlying
DJ STOXX^{SM} 600 Banks Future	FSTB	570561	DE0005705610	965880 MS
DJ STOXX^{SM} 600 Healthcare Future	FSTH	570562	DE0005705628	965872 MS
DJ STOXX^{SM} 600 Technology Future	FSTY	570563	DE0005705636	965892 MS
DJ STOXX^{SM} 600 Telecommunications Future	FSTT	570564	DE0005705644	965894 MS
DJ EURO STOXX^{SM} Banks Future	FESB	570565	DE0005705651	965842 MS
DJ EURO STOXX^{SM} Healthcare Future	FESH	570566	DE0005705669	965834 MS
DJ EURO STOXX^{SM} Technology Future	FESY	570567	DE0005705677	965854 MS
DJ EURO STOXX^{SM} Telecommunications Future	FEST	570568	DE0005705685	965856 MS

3. Contract Specifications

The Sector Index Futures will have fundamentally similar specifications to the DJ (EURO) STOXX 50^{SM} Futures. However, the contract multiplier will be EUR 50 per index point, and the minimum price gradation will be 0.1 point. The draft contract specifications can be found in the attachment.

4. Trading Hours

Trading phases for the Sector Index Futures are as follows:

Pre-Trading	Opening/Trading	Post-Trading
07:30 – 09:00 CET	09:00 – 17:30 CET	17:30 – 19:30 CET

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Management Board:
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5. Transaction Fees

Transaction fees for trades on the A, P and M Accounts will be EUR 0.30 per contract.

6. Transaction Limits

Transaction limits for the Sector Index Futures will be the same as those for the DJ (EURO) STOXX 50 Futures, with a 'Floor' of 6000 transactions, and a 'Factor' of 5. The transaction limit scheme for Futures is described in Circular 092/00 and an example of a transaction limit calculation can be found on our web-site "www.eurexchange.com" under 'Info for Members > manuals > Implementation Regulations'.

7. Simulation

The Sector Index Futures can be tested within the scope of the permanent simulation. The securities will be available in the simulation environment from 13 February, 2001.

8. Dow Jones STOXX^{SM} Index Guide

A detailed description of the STOXX^{SM} Index family and the underlyings of the Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Sector Index Futures can be found at www.stoxx.com/index_description/ind_rule.html.

The guide is available in English, German and French language versions.

9. Designated Market Making

Eurex will offer interested members the possibility to become Designated Market Makers in the Sector Index Futures. As a Designated Market Maker, the member undertakes to offer continuous quotes on the buy and sell side, subject to defined maximum spreads and minimum holding times. In return, the trading and clearing fees for the trades concluded by the Designated Market Maker on the M-account are refunded.

The application form will be distributed with the next related circular, but members interested in becoming Designated Market Makers are requested to contact Christine Heyde on Tel. +49 (0)69-2101-5698 (Christine.Heyde@deutsche-boerse.com).

10. Further Information

Additional information related to trading the Eurex Sector Index Futures (Margin classes/ Margin parameters, data vendor symbols, Mistrade regulation, minimum block size for cross- and pre-arranged trades, Block Trades, Market-order matching range) will be provided before the introduction date in a further circular.

Frankfurt 25 January, 2001

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Draft Contract Specifications

Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} Market Sector Index Futures

Contract Standard

The **Dow Jones STOXX^{SM} 600 Banks** Index (for the DJ STOXX^{SM} 600 Banks Future);
The **Dow Jones EURO STOXX^{SM} Banks** Index (for the DJ EURO STOXX^{SM} Banks Future);
The **Dow Jones STOXX^{SM} 600 Technology** Index (for the DJ STOXX^{SM} 600 Technology Future);
The **Dow Jones EURO STOXX^{SM} Technology** Index (for the DJ EURO STOXX^{SM} Technology Future);
The **Dow Jones STOXX^{SM} 600 Telecommunications** Index (for the DJ STOXX^{SM} 600 Telecommunications Future);
The **Dow Jones EURO STOXX^{SM} Telecommunications** Index (for the DJ EURO STOXX^{SM} Telecommunications Future);
The **Dow Jones STOXX^{SM} 600 Healthcare** Index (for the DJ STOXX^{SM} 600 Healthcare Future);
The **Dow Jones EURO STOXX^{SM} Healthcare** Index (for the DJ EURO STOXX^{SM} Healthcare Future).

Contract Value

EUR 50 per respective Dow Jones STOXX^{SM} 600 and Dow Jones EURO STOXX^{SM} market sector index point.

Settlement

Cash settlement based on the Final Settlement Price, payable on the first exchange trading day following the Last Trading Day.

Price Determination

In points, with one decimal place.

Minimum Price Change

0.1 point, equivalent to a value of EUR 5.

Maturity Months

The three successive quarterly months within the cycle March, June, September and December.

Last Trading Day

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading in the maturing futures contract ceases at 12:00 noon CET on the Last Trading Day.

Daily Settlement Price

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

Final Settlement Price

The average of the respective Dow Jones STOXX^{SM} 600 or Dow Jones EURO STOXX^{SM} market sector index values calculated between 11:50 a.m. and 12:00 noon CET on the Last Trading Day. The Final Settlement Price is determined at 12:00 noon CET on the Last Trading Day.

Trading Hours

9:00 a.m. until 05:30 p.m. CET.