X-pand into the Future

e u r e x *circular 022/04*

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Recipients: All Eurex members and vendors
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⚠ **High Priority**

Introduction of Eurex Release 7.0

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Content may be most important for:	**Attachments:**
➲ All Departments	1. Eurex Release 7.0 Information Schedule

Summary:

Eurex is planning to introduce Eurex Release 7.0 on September 13, 2004. The release simulation period is scheduled for the period July 19, 2004 until September 3, 2004. This circular provides initial information about Eurex Release 7.0.

Functional Enhancements

- Global Clearing Link - Activation is subject to approval by the U.S. Commodity Futures Trading Commission (CFTC) and the European Regulators
- Strategy Trading for Options
- Exchange for Physicals – Financials (EFP-Fin) and Exchange for Swaps (EFS)
- Delivery Handling in Case of Capital Adjustment
- Broadcast of All Trade Prices via CEF
- Broadcast Rate Increase for Inside Market and Market Depth Information of Price Time Futures.

Technical Changes

- Theoretical Price File and Reports
- Broadcasts and Application Requests
- Handling of Multi-Product Requests and New Member Resource Access Levels

Infrastructure Changes

- Supported Operating Systems and GATE 3.3
- JAVA Runtime Environment 1.4.2 and Performance Improvements

Detailed information on the changes planned in Eurex Release 7.0 will be provided in the Preliminary Functional and Technical Release Notes. The publication date for the Preliminary Release Notes as well as the planned dates for other documentation associated with the new release can be found in the attachment “Eurex Release 7.0 Information Schedule”.

The market launch of the individual functions is not necessarily the same as the release date of Eurex 7.0.

The individual dates will be announced separately by Eurex via circular at a later date.

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Introduction of Eurex Release 7.0

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A. Functional Enhancements

1. Global Clearing Link (GCL)

With the introduction of Eurex Release 7.0 the Eurex system will support the following functionality:

- Risk management of positions in USD-denominated products (US products) traded at Eurex US and cleared by Eurex clearing members.
- Cross-margining of positions in EU products and US products.
- Import of trades from Eurex US to Eurex Clearing AG for all EUR denominated products (EU products), listed on Eurex US.
- Facilitating services for clearing of positions in EU products traded at Eurex US and Eurex by clearing members of the Clearing Corporation.

The activation of these functionalities is subject to approval by the U.S. Commodity Futures Trading Commission (CFTC) and the European Regulators. The market launch of the individual functions is not necessarily the same as the release date of Eurex 7.0. The individual dates will be announced separately by Eurex via circular at a later date.

2. Strategy Trading for Options

The system will support the functionality of strategy trading for options with the introduction of Eurex Release 7.0 enhancing the existing trading functionality for options' combinations. Market participants will be able to create individual strategies based on predefined strategy types (Straddle, Butterfly, and Condor, for example) and to announce them to the entire market. Together with the introduction of Strategy Trading, the published strategies can be traded via public strategy order books.

The market launch of this functionality will be announced separately by Eurex at a later date.

3. Exchange for Physicals – Financials (EFP-Fin) and Exchange for Swaps (EFS)

The system will support the OTC trade functionalities Exchange for Physicals – Financials (EFP-Fin) and Exchange for Swaps (EFS) with the introduction of Eurex Release 7.0 enhancing the existing OTC trading functionality. Two new OTC trade entry windows will be introduced.
The market launch of the functionalities will be announced separately by Eurex at a later date.

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4. Other functional enhancements

With the introduction of Release 7.0, Eurex will support the following functionality

- Delivery handling in case of capital adjustment
- Broadcast of all trade prices via CEF
- Broadcast rate increase for inside market and market depth information of price time futures

The market launch of the functionalities will be announced separately by Eurex at a later date.

B. Technical Changes

1. Theoretical Price File for US Products

The theoretical prices for US products will be provided in a new file FPTHEU and it will be distributed to the MISSes of the members who are allowed to trade US products.

2. Reports

With the introduction of Eurex Release 7.0, several existing reports will be changed, and some new reports will be introduced. Particularly, the raw data reports RAWCB010, RAWCB140 and RAWCB160 will be changed.

3. Broadcasts

With the introduction of Eurex Release 7.0, two new private broadcast streams, ”Strategy Order Confirmation“ and ”Strategy Quote Confirmation“ can be requested from the back end.

4. Application Requests

Due to functional enhancements application requests will be added and/or changed for Exchange for Physicals - Financials (EFP-Fin) and Exchange for Swaps (EFS), Strategy Trading and the Global Clearing Link.

5. Handling of Multi-Product Requests

Due to performance measures in Eurex Release 7.0, the responses to multi-product application requests will change.

6. New Member Resource Access Level

With introduction of Eurex Release 7.0 new member resource access levels consistent with the new VALUES request for Strategy Trading and EFP-Fin/EFS will be introduced to the Eurex system.

C. Infrastructure Changes

Eurex 7.0 supports the following MISS and Workstation operating system versions:

- Windows 2000 Service Pack 4
- Windows XP Professional Service Pack 1 and 1a
- Solaris 8 (HW 02/02 or higher)

Eurex 7.0 will **no longer** support the following operating system versions:

- Windows 2000 Service Pack 2
- Windows XP Professional without Service Pack

Please refer to the Preliminary Technical Release notes for changes concerning MISS/Workstation combinations.

The Eurex Release 7.0 software makes use of the GATE Release 3.3 update which will be mandatory for all members. In addition, the Java Runtime Environment 1.4.2 will be made available, to improve runtime significantly. Finally, several performance and stability improvements will be implemented.

Further information about the launch of Eurex Release 7.0 will be sent out in due course.

Frankfurt, March 1, 2004.

Eurex Release 7.0: Information Calendar

