X-pand into the Future

e u r e x *circular 030/03*

Date: Frankfurt, March 19, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Extension of Expiration Cycles in EURO STOXX 50^{SM} Options (OESX)

Related Eurex Circulars: 079/01, 084/01

Contact: Dr. Weiwei Wang (Product Design Equity): Tel. +49-69-21 01-72 62
e-mail: weiwei.wang@eurexchange.com

Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office	1. Contract Specifications 2. Market Maker Quote Obligations for Options on the Dow Jones EURO STOXX 50^{SM}

Against the background of the strong volume growth in the Dow Jones EURO STOXX 50^{SM} (OESX) and increasing interest from the most active trading participants, in their meeting of March 11, 2003 the Management Boards of the Eurex Exchanges made the decision to extend the maturity for the ODAX from a maximum of five years to a maximum of eight years.

On **March 24, 2003** Eurex will add three expirations in the December cycle (72, 84 and 96 months). On that date, in addition to the expirations for APR03, MAY03, JUN03, SEP03, DEC03, MAR04, JUN04, DEC04, JUN05, DEC06, and DEC07, expirations for DEC08, DEC09 and DEC10 will also be made available for trading at Eurex

For the corresponding updates to the contract specifications, please see Attachment 1.

The increased risk for Market Makers in quoting the longer-dated series will be mitigated by adjusting the maximum spreads for quotes on maturities of 72, 84 and 96 months (see Attachment 2).

With effect from March 24, 2003 Section 1.1.2 of the Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich also covers the case of OESX contracts with expirations of more than 60 months, whereby a significant deviation of the price of the transaction from the Reference Price is to be presumed when the amount of the deviation exceeds the maximum spread valid at that time with regard to the Reference Price.

Contract Specifications

Options on
Dow Jones EURO STOXX 50^{SM} (OESX)

Underlying Instrument

The Dow Jones EURO STOXX 50^{SM} Index

Contract Value

EUR 10 per Dow Jones EURO STOXX 50^{SM} index point.

Settlement

Cash settlement based on the final settlement price, payable on the first exchange trading day immediately following the last trading day.

Price Quotation

In points to one decimal place.

Minimum Price Movement

0.1 of a point, equivalent to a value of EUR 1.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, the exchange trading day immediately prior to that Friday. Trading in the expiring options series 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 Dow Jones EURO STOXX 50^{SM} 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.

Exercise

European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period.

Contract Months

The three nearest calendar months, the three following months within the quarterly cycle March, June, September and December, the four following months of the semi-annual cycle June and December as well as the five following months of the annual cycle December. Therefore, contracts are available with a lifetime up to 96 months.

Exercise Prices

The exercise price intervals for the Dow Jones EURO STOXX 50^{SM} options are as follows:

Expiration months with a remaining term up to	Number of strike prices	Exercise Price gradations in index points
6 months	5	50
12 months	5	100
96 months	5	200

Each contract month will be introduced with at least five strike prices initially.

Option Premium

The EUR equivalent of the premium in points is payable on the first trading day immediately following the trade date.

Trading Hours

9:00 a.m. until 5:30 p.m. CET.

Market Maker Obligations – Dow Jones EURO STOXX 50^{SM} Options (OESX)

Minimum Size: 20 contracts on the bid and ask side in all option series.

Maximum Spreads

Maturity Months	Bid up to (Index points)	Maximum Spreads (Index points)
1 - 24 months	0 - 13.3	2.0
	13.4 - 133.3	15%
	133.4 - 9999.8	20.0
25 - 60 months	0 - 13.3	4.0
	13.4 - 133.3	30%
	133.4 - 9999.8	40.0
61 - 96 months	**0 - 13.3**	**5.0**
	13.4 - 133.3	**38%**
	133.4 - 9999.8	**50.0**

Response to quote requests: At least 50% of all Quote Requests have to be answered (up to a max. of 150 quote requests per day averaged over a month):

- within 1 minute
- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 100% and the minimum quote size will be reduced to five contracts on the bid and ask side.

.