X-pand into the Future

eurex circular 159/07

Date: Frankfurt, August 6, 2007
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Thomas Lenz

High priority

Introduction of Technical User IDs

Contact: Markets Services, tel. +49-69-211-1 17 00, e-mail: customer.support@eurexchange.com

Content may be most important for:	**Attachment:**
➲ All departments	Information Memorandum: Information on Set-up/Modification/Deletion of User IDs in the Eurex® system for Algorithmic Trading, Quote Machine, Electronic Eye and Trade Engine

In light of increasing trading activities of fully electronic order-/quote-generating systems, Eurex makes available to its participants with immediate effect additional technical user IDs.

These additional user IDs will help participants to differentiate between manually or automatically entered orders and simplify traceability of cross trades which were triggered by an electronic order-generating system.

The new technical user IDs can be applied for by the form “Application for Set-up/Change/Deletion of User IDs in the Eurex® system”. The form can be downloaded from the Eurex website under the following path:

www.eurexchange.com -> Documents -> Forms -> Trading Derivatives -> Single Forms -> Membership -> Admission & Registration of Individuals, User Ids

Attached to this circular please find an Information Memorandum which contains definitions of technical user IDs.

eurex

Eurex Deutschland
Neue Börsenstraße 1
60487 Frankfurt/Main
Mailing address:
60485 Frankfurt/Main
Germany

T +49-69-211-1 17 00
F +49-69-211-1 17 01
customer.support@
eurexchange.com
Internet:
www.eurexchange.com

Management Board:
Thomas Book, Thomas Lenz,
Michael Peters, Andreas Preuß,
Peter Reitz, Jürg Spillmann

ARBN: 101 013 361

Quote Machine (unique TraderSubgroup: QMA)

Quote Machines are automatic quoting systems for options and futures. Based on price information and additional parameters which the exchange participant will determine quotes are generated automatically and routed to the trading system of the Eurex Exchanges via the programmable interfaces of the Eurex Exchanges. Such orders are generally of the order type "quote". Manual interference of the authorized responsible and admitted trader has not been provided for. Its sole responsibility is to set parameters for the Quote Machines.

Electronic Eye (unique TraderSubgroup: EEA)

Electronic Eyes are computer programs which continually receive from the computing system of the Eurex Exchanges and evaluate market prices from products traded at the Eurex Exchanges. If the price of an incoming order or quote received by an Electronic Eye is within a bandwidth previously defined by an exchange participant, the Electronic Eye automatically generates an order which is routed to the trading system of the Eurex Exchanges via the programmable interfaces of the Eurex Exchanges so that it can be executed. Such orders are generally IOC/FOK orders, since upon non-execution, it is not in the interest of the exchange participant to have the orders remain in the order book. Manual interference of the authorized responsible and admitted trader has not been provided for. Its sole responsibility is to set parameters for the Electronic Eye.

Algorithmic Trading Engine (unique TraderSubgroup: ATE)

Algorithmic Trading Engines are computer programs which allow automated order entry into the trading system of the Eurex Exchanges based on predefined quantitative models, whereby manual interference of the admitted trader has not been provided for. Source for the generated orders are usually historic and current market data that are valued and evaluated within the closed system and converted into an order entry. Such orders are generally not IOC/FOK orders. Algorithmic Trading Engines do not react to price changes as an Electronic Eye would do, since the underlying model must contain both historical and current market data.

Trade Engine (unique TraderSubgroup: QME)

Trade Engines are computer programs that combine the functionality of both Electronic Eye and Quote Machine. At the same time, they do not have the same functionality as the Algorithmic Trading Engines.