X-pand into the Future

e u r e x *circular 005/05*

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

System Adjustment of the Last Trading Day for German Stock Options in Case of a Dividend Resolution

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading	none
➲ Middle + Back Office	
➲ IT / System Administration	

According to the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, sections 2.1.9, 2.7.8, 2.25.9 and 2.26.8, options contracts on stocks of German stock corporations cannot be exercised on the day of a dividend resolution.

The last trading day of an option, in principle, is the third Friday of each contract month, if this is an exchange trading day; otherwise, it will be the exchange trading day immediately preceding that Friday. If exercise is not possible due to the dividend resolution taking place on such third Friday, the last trading day will be the preceding exchange trading day.

So far, the expiring contract month concerned was still displayed in the Eurex system in these cases. However, trading and exercise were not possible any more. In future, the Eurex system will represent the last trading day according to the regulations of the contract specifications. As soon as it becomes known that in an option on stocks of a German stock corporation the day of a dividend resolution will be such third Friday, the system will reschedule the last trading day accordingly to the preceding exchange trading day. This will ensure that the remaining lifetime of the respective series will be correctly transmitted via VALUES API.

For 2005 it is already known that for Thyssen Krupp (TKA) the day of the dividend resolution will be January 21, 2005 and, thus, a third Friday. On May 20, 2005 Commerzbank (CBK) and Hypo Real Estate (HRX) will be concerned. Therefore, the last trading day of the series of the respective contract month will be rescheduled in the Eurex system to the preceding exchange trading day.

Please be advised that, due to this change, the introduction of the new contract month according to the expiration cycle, will take place one day earlier. With regard to TKA this means that the April series will already be available for trading as of January 21, 2005.

For further details please contact the functional helpdesk equity and equity index products at tel. +49-69-211-1 12 10.