

MSCI Derivatives at Eurex

October 2021

Eurex is the Global Home of MSCI Derivatives



1

by Open Interest with 53.1% market share



2

by Trading volumes with 24.3% market share

2021 Traded volume

EUR 850.7 Billion
17,311,911 contracts

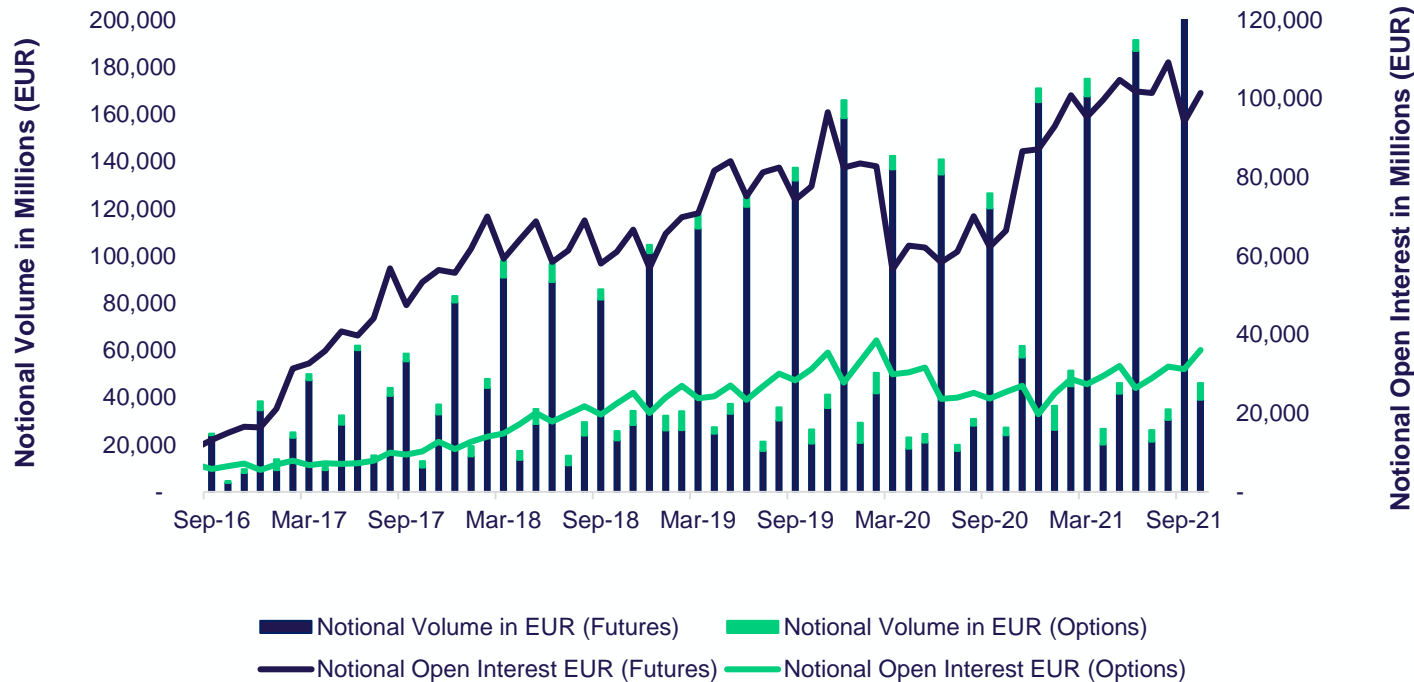
CAGR 2016 – 2021: **21%**

Open Interest

EUR 137.5 Billion
2.75 million contracts

CAGR 2016 – 2021: **22%**

Evolution of Notional Volume and Notional Open Interest

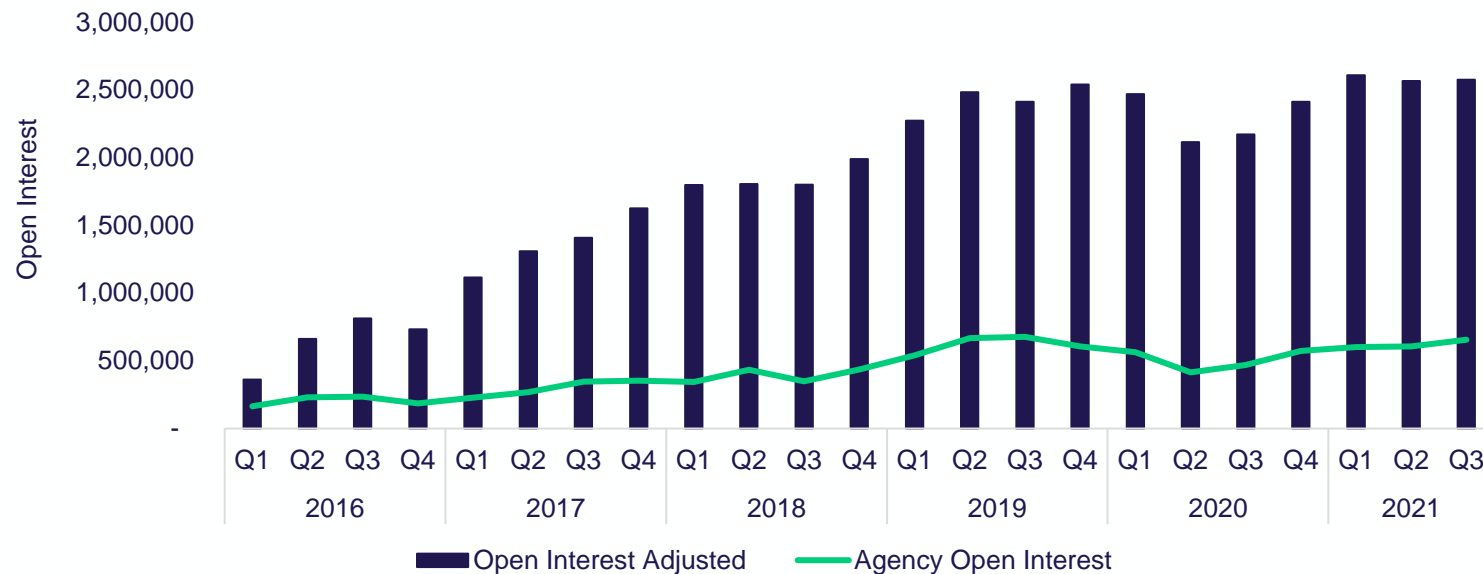


Open Interest for top MSCI Products



*Based on statistics Sep 2021 Source: FIA
Open Interest as of Oct 29, 2021

Buy-Side represents 25% of Eurex MSCI Derivatives



- With UMR Rules coming into play over the next 2 years, we expect this flow to become stronger
- Conversations have already started with clients and dealers on how to optimize this shift
- Additional growth should attract also new players like hedge funds and more market makers

Products with most buy-side flow:

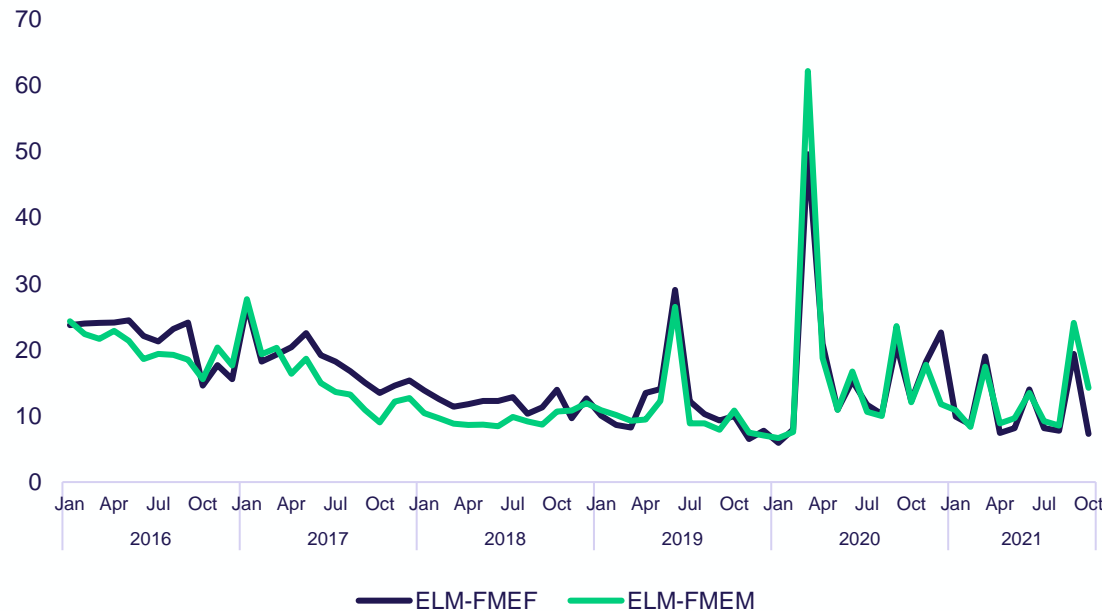
- MSCI World Futures (EUR/NTR and USD/NTR)
- MSCI Europe Futures (EUR/NTR)
- MSCI China Free Futures (USD/NTR)
- MSCI Europe Factor Futures (USD/NTR)
- MSCI World Factor Futures (USD/NTR)
- MSCI Russia Futures (USD/NTR)
- MSCI Poland Futures (USD/NTR)
- MSCI Saudi Arabia Futures (USD/NTR)
- MSCI Kuwait Futures (USD/NTR)
- MSCI World Options (USD/Price)
- MSCI EM Options (USD/Price)

Improving Orderbook Liquidity Picture

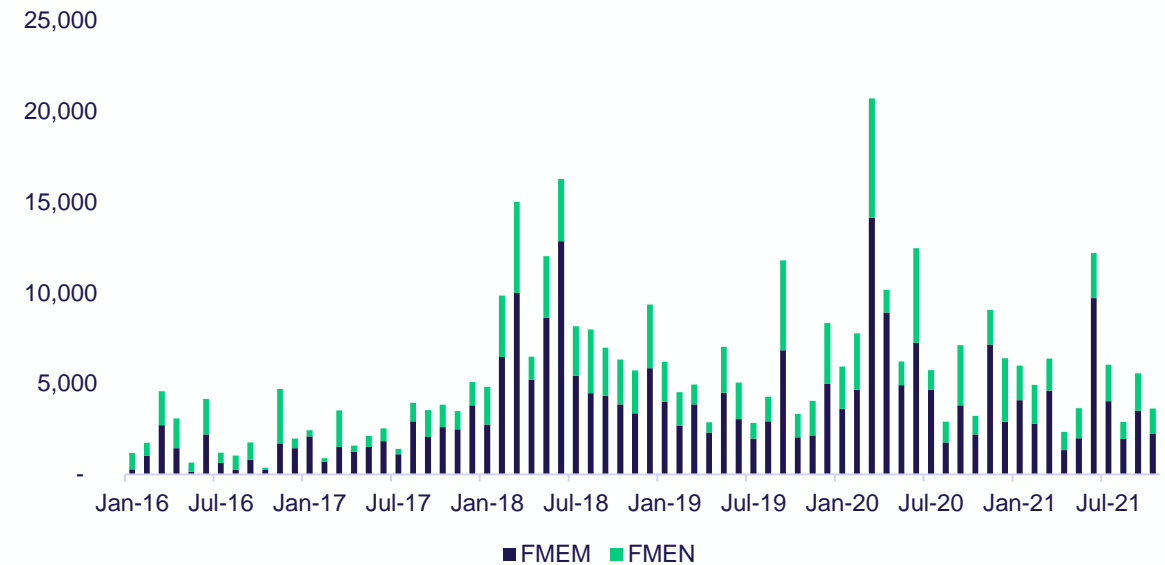


In contracts (like MSCI EM) orderbook liquidity has continuously improved since 2015

ELM in FMEM and FMEF for a 1M EUR Order



Orderbook Volumes in MSCI EM (NTR, USD & EUR)



- Spreads on MSCI EM Futures, for both the NTR index (FMEM) as well as for Price index (FMEF), are tightening
- Average impact for a 1M EUR order in EM has decreased from ~ 9 bps in Q1, 2018 to ~7 bps in Q1, 2019
- Orderbook volumes have increased on average 5% month-over-month for both FMEN and FMEM for the past year
- Algo firm participation, which is usually a function of ADV, is expected to increase further

Growth Drivers for Eurex MSCI Derivatives



1. Level playing field: Clients can get competitive price from dealers including on competitive products like MSCI EM (RBE) & EAFE (FFP) futures

2. Cheaper: Eurex fees are 85% cheaper than competitors

Futures On	Eurex Code	BBG Code	Index Code	Currency	OB Fees	TES/ Fees
MSCI EAFE	FMFP	FFPA	Price	USD		
MSCI EAFE	FMFA	FFAA	NTR	USD	0.00	0.25
MSCI EM	FMEM	ZTSA	NTR	USD	USD	USD
MSCI EM	FMEF	RBEA	Price	USD		

3. Higher capital efficiency: Margins are offset against other Eurex products (SX5E, MSCI, Dividends...)

- Meaningful offset if clients trade other flagship Eurex products
- Important if they trade other MSCI single country futures like MSCI Saudi Arabia or MSCI Japan etc.
- In July 2021 Eurex reduced MSCI margins further on large/directional positions by introducing Hedging Auctions

4. Buy-side flow indicates wider adoption: Buy-side now represents over 25% of Eurex MSCI derivatives flow

5. Ease of trading: Eurex block trade rules are easier, and client can trade against index close easily with dealer

6. Wide offering makes it easier to find better fit:

- **NTR Versions:** Eurex offers NTR versions on EM (ZTS) and EAFE (FFA) and most indexes, rather than just price variations
- **Options:** Eurex offers MSCI Options on the same platform. Margins are offset between options and futures
- **ESG indexes:** Eurex offers Screened and Enhanced Focus methodologies on the benchmark MSCI indexes
- **Sector, Factor and Thematic Indexes:** Eurex offers Sectors on EM & World indexes; Factor indexes on regions and country indexes and thematic indexes

Eurex offers the largest breath of MSCI Derivatives

Eurex lists over 152 Futures and 24 Options on Regional and Country Indexes



**Country
Indexes**

**22 DM Futures
24 EM Futures**



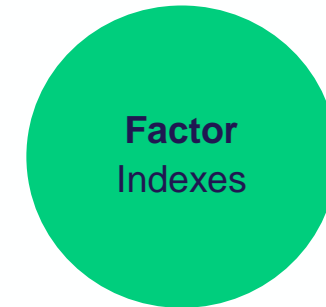
**Regional
Indexes**

**18 DM Futures
11 EM Futures
4 ACWI Futures**



**Sector
Indexes**

**Sector Futures for
World, EM & Europe**



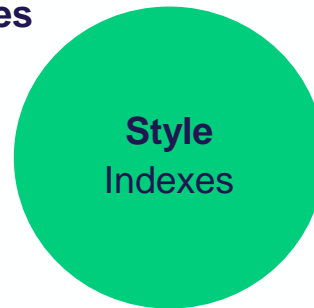
**Factor
Indexes**

US Factor Futures



**Small &
Mid Cap
Indexes**

**2 Small Cap Futures
1 MiD / SMID Future**



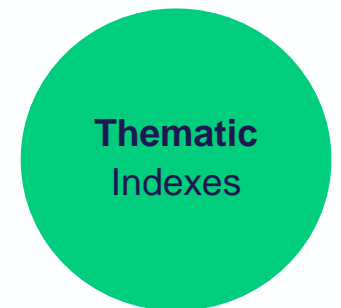
**Style
Indexes**

**Value & Growth Futures
for 3 regions**



**ESG
Indexes**

**ESG Screened Futures
Enhanced Focus Futures**



**Thematic
Indexes**

China Tech Futures

MSCI ESG Derivatives at Eurex

Based on Benchmarks from MSCI



MSCI World	MSCI EM	MSCI EAFE	MSCI USA	MSCI Japan	MSCI Europe	MSCI EM Asia
Futures	Futures	Futures	Futures	Futures	Futures	Futures
MSCI World ESG Screened futures	MSCI EM ESG Screened futures	MSCI EAFE ESG Screened futures	MSCI USA ESG Screened futures	MSCI Japan ESG Screened futures	n.a.	MSCI EM Asia ESG Screened futures (as of 6th Sep 2021)
Bloomberg Code: HRLA	Bloomberg Code: HRRRA	Bloomberg Code: HRWA	Bloomberg Code: HRIA	Bloomberg Code: HRYA	n.a.	Bloomberg Code: MUYA
MSCI World ESG Enhanced Focus (as of 31st May 2021)	MSCI EM ESG Enhanced Focus (as of 31st May 2021)	n.a.	MSCI USA ESG Enhanced Focus (as of 31st May 2021)	MSCI Japan ESG Enhanced Focus (as of 31st May 2021)	MSCI Europe ESG Enhanced Focus (as of 31st May 2021)	n.a.
Bloomberg Code: SJYA	Bloomberg Code: SHRA	n.a.	Bloomberg Code: SICA	Bloomberg Code: SHWA	Bloomberg Code: SHSA	n.a.

MSCI Derivatives Fee Structure



Product Group	MSCI Futures and Options						Derivatives on MSCI ESG Screened Index			MSCI Dividend Derivatives					
Contract	MSCI Futures			MSCI Options			Derivatives on MSCI ESG Screened Index			MSCI EM Index Dividend Futures			MSCI EAFE Index Dividend Futures		
Currency	EUR/ GBP/ USD			EUR/ GBP/ USD			USD			USD			USD		
Account	A	P	M	A	P	M	A	P	M	A	P	M	A	P	M
Orderbook *	0.6	0.6	0.6	0.54	0.5	0.5	0.5	0.5	0.5	2	1.8	1.8	1.4	1.2	1.2
Eurex Enlight *	0.9	0.9	0.9	0.56	0.5	0.5	0.75	0.75	0.75	3	2.7	2.7	2.1	1.8	1.8
TES *	0.9	0.9	0.9	0.58	0.5	0.5									
Threshold (number of contracts)	n. a.	n. a.	n. a.	3,000	2,000	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.

Standard fee per contract (contract number ≤ threshold value) in respective currencies

Thank you!

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