eurex xpand

monthly news around Eurex February 2010

CONTENT

Dividend Derivatives

A New Chapter in a Success Story – Eurex Now Offers Single Stock Dividend Futures (1)

Equity Derivatives

New Strike Price Intervals to Promote the Positive Development of French and Belgian Equity Options (2)

Release & Technology

Lower Latency from Frankfurt to Paris, Amsterdam, New York and Chicago (2)

Trading Corner

Covered Call Writing (3)

Market Trends

Four Arguments for Treating Index Dividends as a Separate Asset Class (5)

Eurex Services

Eurex Launched New Trader Development Program for 2010 (8)

Membership Incentive 2010 with Significant Fee Rebates for New Members (8)

From Now on E-Newsletter "Eurex European Market Outlook" Daily (9)

Eurex Inside

Eurex Admits First Japanese Broker via Singapore (10)

www.eurexchange.com

New Publications at Eurex and Updated MarginCalculator (10)

Education Mar/Apr (11)

Events Mar/Apr (11)

Key Figures Jan (12)

A New Chapter in a Success Story – Eurex Now Offers Single Stock Dividend Futures

On January 11, 2010, Eurex launched Single Stock Dividend Futures being the first exchange to offer trading opportunities in the pure dividend components of the largest Eurozone corporations comprised in the benchmark index Dow Jones EURO STOXX 50®. At launch, a first tranche of 25 futures contracts became available. The listing of futures on the remaining 25 index constituents is scheduled for March 1. Market Maker quotes are provided in all 25 products.

Against the background of the upcoming dividend season investors can now participate in the dividend distribution of a company. The new futures contracts will settle to the ordinary dividend payment with regards to a company's share over an annual period. The opportunity to trade and hedge dividend exposure down to the corporate level using a standardized instrument allows for precise investment decision. Besides, the new contracts are designed to integrate easily with equity derivatives already available at Eurex.

For detailed information on the product specifications, please visit our website.

Dow Jones EURO STOXX 50® Index Dividend Futures Marked the Start

In July 2008, we entered the market with an innovative and unique trading opportunity by launching Dow Jones EURO STOXX 50® Index Dividend Futures. The futures contracts on the European benchmark provide investors an on-exchange possibility to trade the separated dividend stream on a standalone basis in a transparent way. One of the key drivers resulting in high volumes and open interest in this segment has been our offering of integrated central counterparty clearing that mitigates counterparty and credit risk and facilitates the markets need especially after the Lehman default.

Fast growing volumes showed the market's interest in our offering and we have since followed with more benchmark index dividend contracts covering the DAX® (price index), DivDAX®, the SMI® and Dow Jones EURO STOXX® Select Dividend 30 Index. In 2009 the dividend index futures family traded around 10,000 contracts on a daily basis.

Contact:
Stuart Heath, T +44-20-78 62-72 53,
E-mail: Stuart.Heath@eurexchange.com

New Strike Price Intervals to Promote the Positive Development of French and Belgian Equity Options

With the introduction of new strike price intervals for French and Belgian equity options contracts Eurex offers strike price models which are more in line with the conventions of the respective home markets, but at comparatively low cost. This initiative will further support the positive development of sales in both segments.

In total, some 80 equity options and nearly 100 Single Stock Futures are available in both segments now. Ten Market Makers provide a positive development of sales through continuous quotation. In doing so, more than 20 million contracts were traded in French and Belgian derivatives in 2009. That is a 60 percent increase compared to the previous year.

The conversion of the strike price intervals took place on January 12 and 14, 2010. A close adjustment in strike prices customary in the respective home markets has been achieved, particularly in the very liquid at-the-money segment.

For expiration dates up to and including twelve months, nine strike prices will be available: four of which in-the-money, four out-of-the-money and one at-the-money. For expirations of more than twelve months, seven strike prices will be available: three of which in-the-money, three out-of-the-money and one at-the-money.

For further information, please visit our website:

French equity options
Belgian equity options
French Single Stock Futures
Belgian Single Stock Futures

Contact:
Christine Heyde, T +49-69-211-15698,
E-mail: Christine.Heyde@eurexchange.com

Lower Latency from Frankfurt to Paris, Amsterdam, New York and Chicago

Deutsche Börse Systems is developing a new so called ultra-low latency infrastructure providing the lowest latency from Frankfurt to Paris, Amsterdam, New York and Chicago. Our customers as well as external partners will benefit from an extremely low latency: Latencies under 3.3 milliseconds will be achieved for the Frankfurt-Amsterdam connection, under 4.5 milliseconds for Paris, under 40 milliseconds for New York, and under 49 milliseconds for Chicago.

The connections combine the shortest geographic routing paths with different routing options and the latest optical transmission techniques.

The network design guarantees the proven maximum availability with no single point of failure while also offering the lowest latency as possible.

Deutsche Börse Systems began to develop a new ultra low latency network infrastructure between Frankfurt and London back in August 2009. The two locations are thus connected with a latency of 5 milliseconds.

Contact:
Dr. Wolfgang Eholzer, T +49-69-211-15513,
E-mail: Wolfgang.Eholzer@eurexchange.com

Trading Corner

Covered Call Writing

Motivation

A portfolio manager holds a profitable position of 100,000 Bayer shares. He would like to generate extra return without having to close out his position. As he believes that the share price will remain in a range of EUR 52 and EUR 56 for the next two months, he decides to profit from the range by receiving time value through the sale of options.

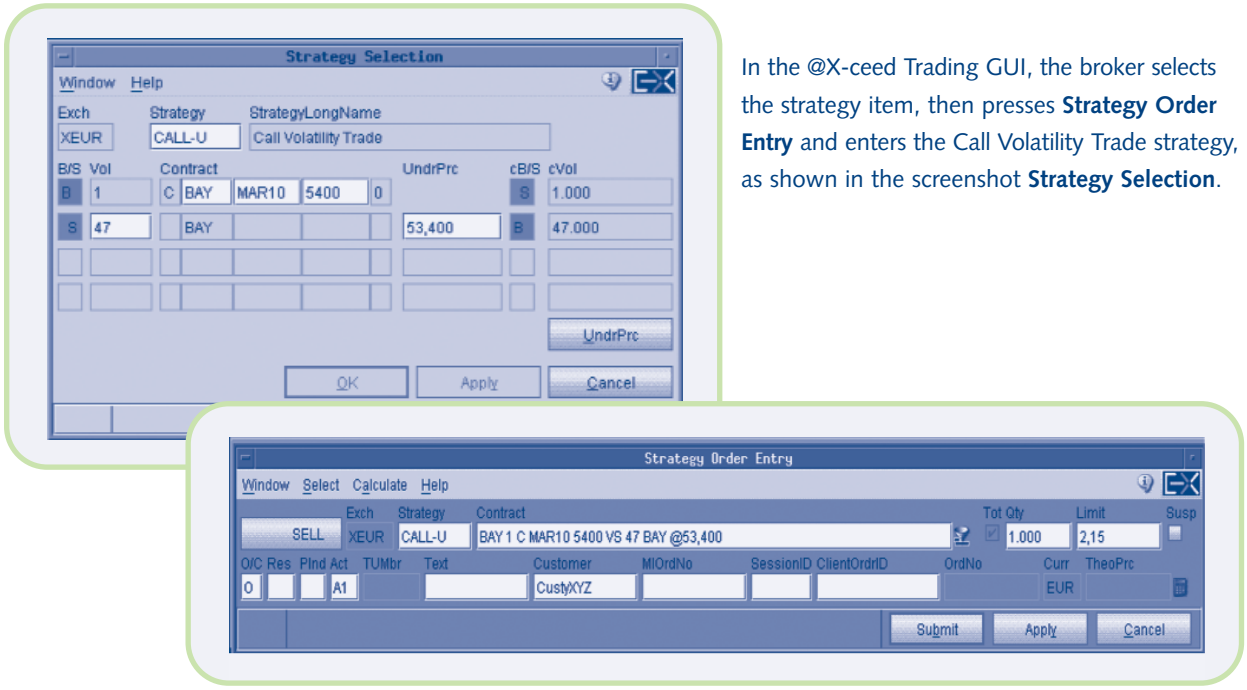
Strategy

He can take in option premium by selling volatility via a call option with an exercise price of EUR 54, expiration March 2010. With the share currently trading at around EUR 53.40, he can receive EUR 2.15 per option, which amounts to around 4 percent option premium per underlying share. Since he decides to sell a total of 1,000 contracts, the total option premium he receives amounts to EUR 215,000. At the same time, the upside potential of the cash position is capped at EUR 56.15 (exercise price plus premium).

Trade Entry

Step 1 After having identified the counterparty offering the best price, the portfolio manager's broker enters the trade into the Eurex® system by selecting "Call-U" (Call Volatility Trade) in the **Strategy Order Entry** window. As the deal will be transacted with a delta hedge, the broker enters the option size and the option's delta, which then in turn shows the amount of shares to be exchanged via the CCP. In this case, the delta for the option is 47 percent, which means that 47,000 shares will be exchanged at the agreed upon underlying price of EUR 53.40.

In our example, the broker quoted the option to the portfolio manager, based on a reference price for the underlying share and a delta hedge. Since the portfolio manager does not wish to buy any additional shares, the broker sells the delta in the cash market, in order to then cross the options on a delta-neutral basis, as agreed with the counterparty.



In the @X-ceed Trading GUI, the broker selects the strategy item, then presses **Strategy Order Entry** and enters the Call Volatility Trade strategy, as shown in the screenshot **Strategy Selection**.

Step 2 After having entered the relevant information into the strategy window and pressing *OK*, the strategy can be seen in the *Contract* field of the **Strategy Order Entry** window, as shown in the screenshot on page 3. As the portfolio manager wants to sell the call, his broker needs to enter the strategy as a "sell" position (as a default, the window will be opened showing the strategy as a "buy"). Having specified the number of contracts, the option price agreed upon (in the *Limit* field), the broker can submit the trade into the system. It can then be matched by the broker's counterparty in the market.

Scenarios at Expiration

Let us examine two different scenarios at expiration, to see how the portfolio manager performs compared to not having written the call.

Share price below EUR 54 at expiration:

The portfolio manager has earned the full option premium of EUR 215,000. He still holds the shares, and now needs to decide – once again – if he wants to sell the shares at the current market price.

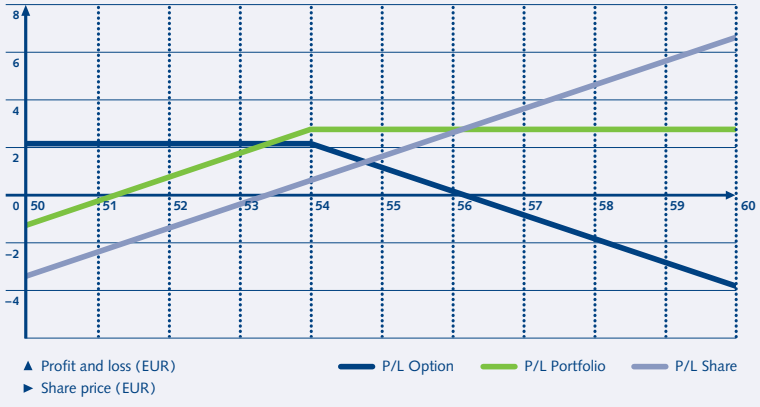
Share price above EUR 54 at expiration:

The portfolio manager will be assigned on his short call and has to deliver the shares at a price of EUR 54. His breakeven per share is equal to the exercise price of the option plus the option premium, which in this case is EUR 56.15. Only if the Bayer share price rises above EUR 56.15 at expiration, the portfolio manager will be worse off in comparison to the original position without covered call writing.

Who Should Consider Writing Covered Equity Calls?

- A market participant who is neutral to moderately bullish on certain portfolio holdings.
- A market participant willing to limit upside profit potential on a specific stock holding in exchange for limited downside protection.
- A market participant who wishes to generate income in addition to any dividends from shares of underlying stock owned.

Profit/Loss Profile: Covered Call Writing



Volatility:
Increase = negative effect
Decrease = positive effect

Time Decay:
Positive effect

Contact:
Matthias Kronenberger, T +49-69-211-187 19,
E-mail: Matthias.Kronenberger@eurexchange.com

Four Arguments for Treating Index Dividends as a Separate Asset Class

Over the last few years, dividends have gained momentum as an important "asset class" within equity derivatives. With its dividend index futures Eurex offers efficient tools either to hedge or to trade the pure dividend component of five European benchmark indexes. Thanks to its standardized features and maximum pricing transparency, plus the mitigation of counterparty and credit risk via Eurex Clearing, Eurex Index Dividend Futures are a perfect complement to existing over-the-counter contracts. In the following article Simon Carter, European Head of Equity Flow Derivatives Research at BNP Paribas, outlines four reasons to trade dividends as an asset in their own right.

Dividends[1] Offer Compelling Real Asset on Risk/Return Basis

During the period 1974–2008, the realized volatility of European dividend growth was about 14 percent compared to 21 percent for equity returns. During this period, dividends offered 7.8 percent of average annual growth versus 6 percent of total return for equities. According to the chart below dividends demonstrate the best risk/return characteristics of any real asset class and hence represent a worthy alternative to cash equities, from a risk-reward perspective.

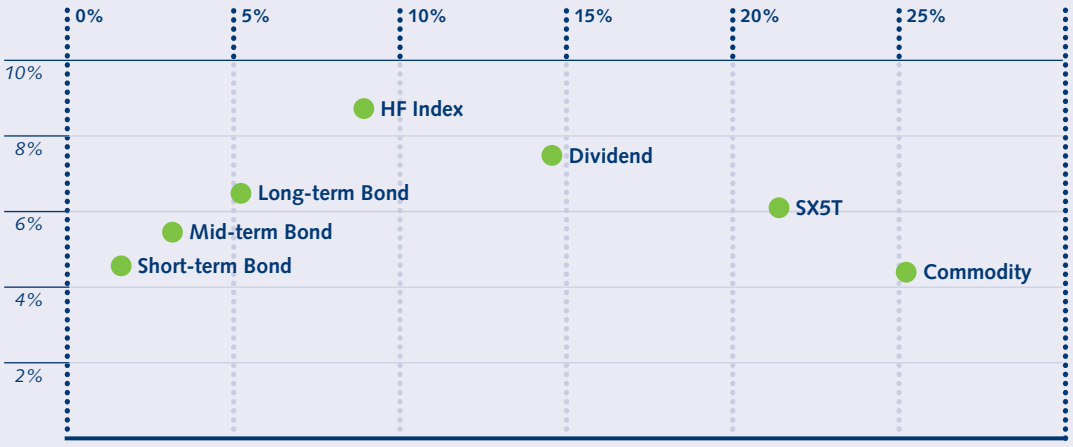
Dividends Offer Diversification for Bond + Equity Portfolio

Investors holding a diversified portfolio (for example equities, commodities and bonds) would do well to consider switching a portion of their allocation in real assets to a direct dividend exposure. Dividends display one of the highest negative correlations with nominal asset classes like bonds: with a long-term correlation of over negative 40 percent between European dividends and 10-year government bonds. This historical negative correlation, if repeated, would allow investors to gain diversification benefits within a portfolio and the potential for an improved risk-return profile.

Correlation Matrix

	Bonds	Equities	Commodities	Hedge Fund	Dividend
Bonds	1				
Equities	–36%	1			
Commodities	–29%	33%	1		
Hedge Fund	–43%	77%	59%	1	
Dividend	**–41%**	24%	–20%	0%	1

Risk/Return Profile: Dividends vs. Other Asset Classes (1994–2008)



▲ Annualized Return
► Annualized Volatility

Equities: Dow Jones EURO STOXX 50® Index total return
Commodities: GS Commodity Index excess return
Hedge Funds: CSFB Tremont Hedge Fund Index total return (EUR)
Bonds: Bloomberg/EFFAS bond indexes
Dividend: Dividend effectively paid by Dow Jones EURO STOXX 50® Index (n+1)

[1] Please note that dividends data used in the research below are realized dividends, not implied dividends.

Dividends as an Inflation Hedge

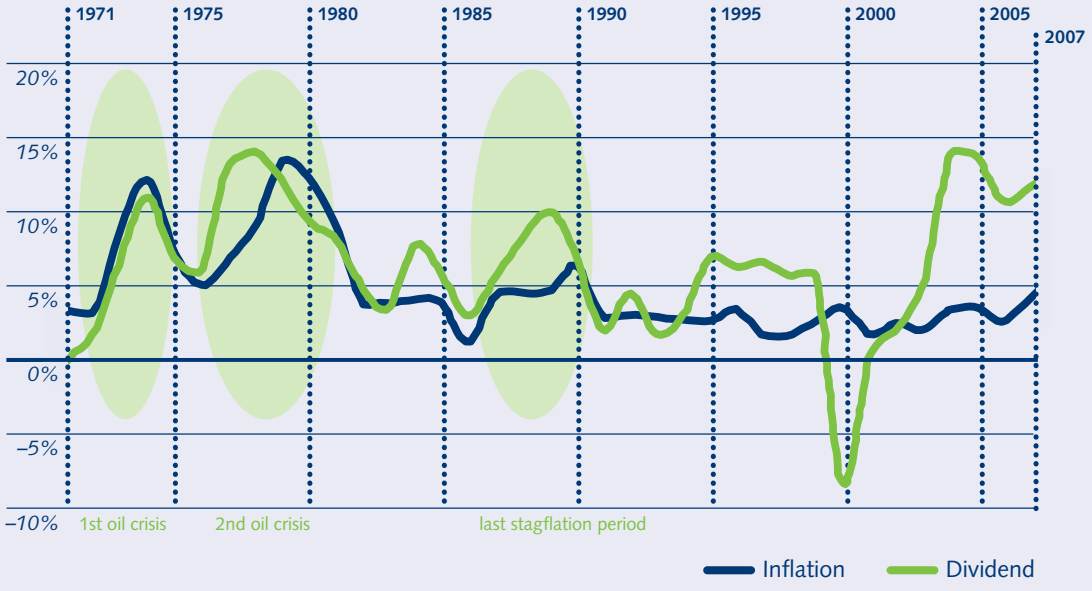
Many investors are currently looking at dividends as a potential long-term inflation hedge. Historically, dividends have posted positive real growth rates during high inflation regimes, whilst equities have not always provided strong returns:

- **1973 oil crisis:** Dividend growth and inflation evolved hand in hand – both showing double-digit growth versus a 15-percent decline for equities.
- **1980 oil crisis:** Dividend and inflation showed +12 percent of growth, while equity market declined –5 percent.
- **Early 1990s:** The last "stagflation" experience: dividend growth increased significantly over this period.

policy finally work to re-ignite the global economy), dividends may provide an efficient inflation hedge, as well as giving potential exposure to any earnings growth.

On a cautionary note, in periods of sustained deflation, dividends could suffer – this is the painful consequence of the negative correlation between dividends and government bonds. In low/falling inflation regimes, share prices in theory benefit from a P/E re-rating (lower discount rates applied to future free cash flows resulting in a higher net present value); while dividends, on the other hand, suffer from lower nominal dividend growth rates as earnings, growth is typically lower under such an economic regime.

Inflation and Dividend Growths Since 1970 in the U.S.



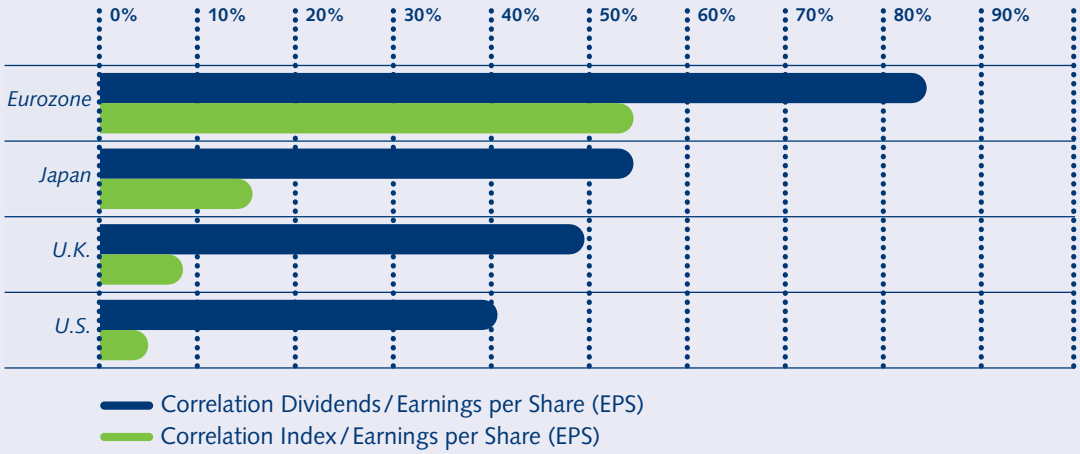
During periods of high inflation, bonds and equities returns have regularly fallen significantly as illustrated by the negative correlation between inflation and equities in the long-term (–25 percent from 1970 to now).

Conversely, dividends and inflation display a positive correlation during the period (45 percent since 1970). Thus, in a future inflationary context (for example if hyper-stimulative monetary and fiscal

Dividends Better Reflect Underlying Earnings Growth Than Equities

Given the extra parameter of valuation (P/E or P/free CF) that is applied to earnings or cash flows to derive share prices, one would expect equities to be less tightly correlated to earnings than dividends, given that payout ratios in Europe have varied between 40 and 60 percent.

Correlation of Realized Dividends, Index Price and Earnings

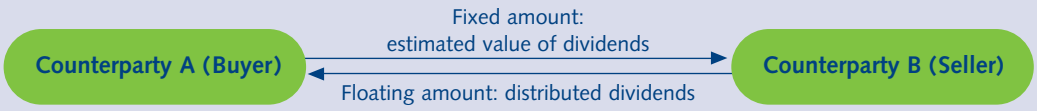


The figure above supports this with European market dividends circa 90 percent correlated to underlying earnings, but the correlation of earnings vs. share prices is only 55 percent.

As (a) the historic volatility of earnings has been considerably higher than dividends, and (b) that we expect payout ratios to remain below average in the near term as corporate balance sheets are restructured, long-term dividends are potentially an attractive way to play the eventual recovery in earnings from recession troughs without attempting to finesse the timing of such an earnings recovery.

What is an Index Dividend Swap and Which are the Main European Indexes that Drive the Market?
Dividend Swaps (OTC products) or Dividend Futures (listed products) have the following pay-off:

Principle
For a given underlying, a dividend swap is the exchange, at given maturity, of fixed and floating cash flows representing:



It is the exchange of a fixed cash flow against a floating cash flow. The fixed cash flow represents the expected or implied dividend amount where the floating cash flow represents the actual distributed dividends. The Dow Jones EURO STOXX 50® Index is the most widely traded index for dividend swaps. FTSE 100, Nikkei®, S&P 500®, DivDax® and SMI® are also traded but less actively.

Why Trade Index Dividend Futures Rather Than Index Dividend Swaps?
Dividend Futures enable investors to mitigate the counterparty and credit risk. After the collapse of Lehman Brothers last year, clients were less willing to trade dividend on the OTC market and then directly face banks as counterparties, they would rather face a central clearing house. The Dow Jones EURO STOXX 50® Index Dividend Future market took off in the end of the third quarter 2008 helped by investors who novated their dividend swap positions into Dividend Futures.

Contact:
Simon Carter,
Flow Research Equity & Derivatives, BNP Paribas
T +44-20-79 95-86 19,
E-mail: Simon.Carter@bnpparibas.com

Eurex Launched New Trader Development Program for 2010

Eurex has been offering an enhanced Eurex Trader Development Program since January 1, 2010, based on the current successful program. Within the scope of this program Eurex participants, who wish to take advantage of the growth opportunities and the large trader talent pools, can benefit from an extensive range of training, further education measures and lucrative trading conditions for new traders who start trading on Eurex.

Under the program, proprietary trades executed by new Eurex traders via order routing systems will be exempt from trading and clearing fees. That means, traders can qualify for a potential of 300,000 contracts free of charge.

The reduction and waiver of trading and clearing fees depends on the trader's location and on the number of individually traded contracts per month. The revised program will incentivize new traders from Europe, Asia-Pacific, the Middle East, Africa and the Americas.

Applications for the Trader Development Program will be accepted until December 31, 2010, and the benefits will be granted for one year from application.

Please click here to read the circular on the enhanced Trader Development Program.

Contact:
Reny Morsch, T +44-20-78 62-72 24,
E-mail: Reny.Morsch@eurexchange.com

Membership Incentive 2010 with Significant Fee Rebates for New Members

The Eurex Membership Incentive is designed to attract new members and focuses on a significant reduction of transaction and connection fees during the first year of membership. The initiative targets all potential new Eurex members around the globe. However, it is not offered to legal successors to firms who have been members of Eurex Deutschland and/or Eurex Zürich since January 1, 2007.

The incentive offers a total fee rebate of up to EUR 54,000 during the first year of membership and consists of three components:

1. No charge of minimum transaction fees for the first twelve months
The minimum transaction fee of EUR 9,000 per quarter will be waived for the first year of membership.

2. Monthly fee waiver of up to EUR 3,000
New members benefit from a general monthly fee waiver of up to EUR 3,000 during the first year of membership. This waiver consists of two elements:

- A monthly connection fee waiver limited to EUR 1,500
- A monthly transaction fee waiver of up to EUR 3,000 minus the waived connection fees

3. Additional fee waiver of up to EUR 1,500 per month for high-volume trading
During the first year of membership a monthly high-volume transaction fee waiver of up to EUR 1,500 is granted for each month in which a new member's trading volume exceeds 150,000 contracts.

Total Monthly Fee Waivers Depending on the Type of Connection

Incentive Components	Connection Type Examples and Respective Costs		
	Multi-Member MISS	Internet Only or Combined Access	Standard Connection or Enhanced Broadcast/ Transaction Solution
	EUR 0	EUR 500–1,250	≥ EUR 1,500
1 No MTF	No charge of minimum transaction fees during the first year of membership		
2 Connection Fee Waiver	3,000	500–1,250	1,500
Transaction Fee Waiver		1,750–2,500	1,500
3 High-volume Transaction Fee Waiver	1,500	1,500	1,500

Costs and fee waivers per month and in EUR.

Last year 62 new members started trading at Eurex and right now, there are more than 50 firms in the admission process. Overall Eurex currently has 418 participants from 25 countries with more than 8,700 admitted traders.

For further information, please visit our website.

Contact:
Tobias Knobbe, T +49-69-211-1 23 39,
E-mail: Tobias.Knobbe@eurexchange.com

From Now on E-Newsletter "Eurex European Market Outlook" Daily

From now on Eurex is offering its weekly newsletter "Eurex European Market Outlook" on a daily basis. Every morning, this will provide an outlook for investors interested in European exchange market data on the current day.

The English language newsletter is delivered via e-mail at 08:30 GMT. Recipients benefit from a helpful economic trading calendar, insightful commentaries and charts on European equity and interest rate markets.

The European Market Outlook is a free of charge service provided by Eurex in cooperation with Market News International (MNI), a hundred-per-cent subsidiary of Deutsche Börse. MNI is a US-American financial news agency and a leading international provider of real-time global capital market data.

Please register here.

For further information on MNI, please click here.

Contact:
Stephanie Hammer, T +1-312-544-10 90,
E-mail: Stephanie.Hammer@eurexchange.com

Your feedback is important to us.

Do you have any comments or suggestions on our newsletter? Please send an e-mail to:
Xpand.feedback@eurexchange.com

Eurex Admits First Japanese Broker via Singapore

Mizuho Securities (Singapore) Pte. Ltd., a subsidiary of Mizuho Securities Co., Ltd. was connected mid-January 2010 to the Singapore Access Point of Eurex.

Looking back at our activities in Singapore: Eurex has been active in Singapore since 2005, when it received regulatory approval by the Monetary Authority of Singapore. Since June 2006, we have been operating an Access Point for customers from the region, and in August 2006 the first participant from Singapore was admitted. In September 2009, we opened our Representative Office, manager of the office is Philip Joslin.

Now we have five participants in Singapore with interest in a direct Eurex membership remaining strong in Asia.

About Mizuho Securities (Singapore) Pte. Ltd.
Mizuho Securities (Singapore) Pte. Ltd. (MHSS) was incorporated in 1985 and is part of the Mizuho Financial Group, one of the three mega banks in Japan. In 2002, MHSS was ranked No.5 in customer volume on the SGX. MHSS is now ranked No.4 in SGX Indian Nifty. MHSS provides Hong Kong, Japan, Singapore, Taiwan and other Asian clients with one of the fastest execution services in the industry through direct linkage between its counterparties and major exchanges such as Eurex, SGX and CME Group.

Contact:
Philip Joslin, T +65-63 04-52 51,
E-mail: Phil.Joslin@eurexchange.com

New Publications at Eurex

Brochures:

- Equity Index Derivatives – Dow Jones EURO STOXX®, Dow Jones STOXX® 600, Dow Jones Titans 30℠ Sector Index Derivatives – Green Light to Expand Your Opportunities in a Growing Segment

Flyers:

- Eurex Release 12.0 – The New Standard in Risk Management and More
- Eurex High-Frequency Access – Streamlined Interfaces for Market Data, Trading and Risk Management
- Eurex Commodity Derivatives – Solid Values to Improve Your Results

Factsheets:

- Eurex Single Stock Dividend Futures – Tracking the Earnings Stream
- Balance Sheet Netting for Eurex Repo Euro Market Transactions
- Euro-BTP Futures – Italian Government Bond Futures at Eurex

Please visit our website to download or order the full copy. Thank you very much for your interest.

An Updated Version of the Eurex MarginCalculator is Now Available

The computer-based simulation facilitates margin calculations for positions on all products cleared by Eurex Clearing. The MarginCalculator incorporates the Eurex Risk-based Margining model.

Please click here to download the new version.

EDUCATION

Capital Markets Academy March and April 2010

	Course	March	April
Certificate Programs	Trading Derivatives – with examination[1]	**22–26** London	
	Exchange Systems and Processes[2]	**Start 29** London	
System Training Courses	Eurex System Training Trading	**03** Paris **10** London **17** Zurich **24** Milan	**07** Paris **14** London
	Eurex Repo System Training CHF Repo Market	**15** Zurich	**26** Zurich
Examinations	Preparation Course Eurex Clearer Test		**13** London
	Eurex Clearer Test[3]	**16** London **16** Chicago **23** Paris **24** Milan **31** Frankfurt	**13** Chicago **20** London **27** Paris **28** Frankfurt **29** Zurich
	Eurex Exchange Trader Examination[3]	**08, 31** Frankfurt **16** London **17** Zurich **23** Paris **24** Milan	**09** Zurich **20** London **27** Paris **28** Frankfurt **29** Zurich

[1] Participation in this course, with the final examination being passed, is recognized as proof of expertise and practical knowledge, and hence is regarded as admission to exchange trading at Eurex.

[2] "Exchange Systems and Processes" is a study program in cooperation with the Chair of General Business Studies – e-Finance faculty – at the Goethe University in Frankfurt/Main, Germany. It covers the entire process chain and the respective systems of Deutsche Boerse Group.

[3] The examination can be taken in English or German language at all locations.

The training site of Deutsche Börse AG, **www.deutsche-boerse.com/academy**, gives you one-stop access to all Eurex training sessions and exams, T +49-69-211-13767, F +49-69-211-13763, e-mail: academy@eurexchange.com.
For Repo Training, please contact Eurex Repo Training, Selnaustrasse 30, 8021 Zurich, T +41-58-854-2424, **www.eurexrepo.com**.

EVENTS

Events and Conferences in March and April 2010

	Location	Date
AFM Annual Conference	Park Hotel, Amsterdam, Netherlands	March 03–05
Forum Gi	Palais des Congrès de Paris, Paris, France	March 17–18
ACI Congress	Berlin, Germany	March 19–21
EuroHedge Summit	Palais de la Bourse, Paris, France	April 21–22

© Eurex, February 2010

Published by
Eurex Frankfurt AG
Neue Börsenstraße 1
60487 Frankfurt / Main
Germany

Eurex Zürich AG
Selnaustrasse 30
8021 Zurich
Switzerland

www.eurexchange.com

ARBN Number
Eurex Frankfurt AG ARBN 100 999 764

Deutsche Börse AG (DBAG), Clearstream Banking AG (Clearstream), Eurex Frankfurt AG, Eurex Clearing AG (Eurex Clearing) as well as Eurex Bonds GmbH (Eurex Bonds) and Eurex Repo GmbH (Eurex Repo) are corporate entities and are registered under German law. Eurex Zürich AG is a corporate entity and is registered under Swiss law. Clearstream Banking S.A. is a corporate entity and is registered under Luxembourg law. U.S. Exchange Holdings, Inc. and International Securities Exchange Holdings, Inc. (ISE) are corporate entities and are registered under U.S. American law. Eurex Frankfurt AG (Eurex) is the administrating and operating institution of Eurex Deutschland. Eurex Deutschland and Eurex Zürich AG are in the following referred to as the "Eurex Exchanges". All intellectual property, proprietary and other rights and interests in this publication and the subject matter hereof (other than certain trademarks and service marks listed below) are owned by DBAG and its affiliates and subsidiaries including, without limitation, all patent, registered design, copyright, trademark and service mark rights. While reasonable care has been taken in the preparation of this publication to provide details that are accurate and not misleading at the time of publication DBAG, Clearstream, Eurex, Eurex Clearing, Eurex Bonds, Eurex Repo as well as the Eurex Exchanges and their respective servants and agents (a) do not make any representations or warranties regarding the information contained herein, whether express or implied, including without limitation any implied warranty of merchantability or fitness for a particular purpose or any warranty with respect to the accuracy, correctness, quality, completeness or timeliness of such information, and (b) shall not be responsible or liable for any third party's use of any information contained herein under any circumstances, including, without limitation, in connection with actual trading or otherwise or for any errors or omissions contained in this publication. This publication is published for information purposes only and shall not constitute investment advice respectively does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction. This publication is not intended for solicitation purposes but only for use as general information. All descriptions, examples and calculations contained in this publication are for illustrative purposes only. Eurex and Eurex Clearing offer services directly to members of the Eurex exchanges respectively to clearing members of Eurex Clearing. Those who desire to trade any products available on the Eurex market or who desire to offer and sell any such products to others or who desire to possess a clearing license of Eurex Clearing in order to participate in the clearing process provided by Eurex Clearing, should consider legal and regulatory requirements of those jurisdictions relevant to them, as well as the risks associated with such products, before doing so. Eurex derivatives (other than Dow Jones EURO STOXX 50® Index Futures contracts, Dow Jones EURO STOXX® Select Dividend 30 Index Futures contracts, Dow Jones STOXX 50® Index Futures contracts, Dow Jones STOXX® 600 Index Futures contracts, Dow Jones STOXX® Large/Mid/Small 200 Index Futures contracts, Dow Jones EURO STOXX® Banks Futures contracts, Dow Jones STOXX® 600 Banks/Industrial Goods & Services/Insurance/Media/Personal & Household Goods/Travel & Leisure/Utilities Futures contracts, Dow Jones Global Titans 50 Index℠ Futures contracts, DAX® Futures contracts, MDAX® Futures contracts, TecDAX® Futures contracts, SMIM® Futures contracts, SLI Swiss Leader Index® Futures contracts, RDXxt® USD – RDX Extended Index Futures contracts, Eurex inflation derivatives, Eurex commodity derivatives, Eurex weather derivatives, Eurex property derivatives, and Eurex interest rate derivatives) are currently notavailable for offer, sale or trading in the United States or by United States persons.

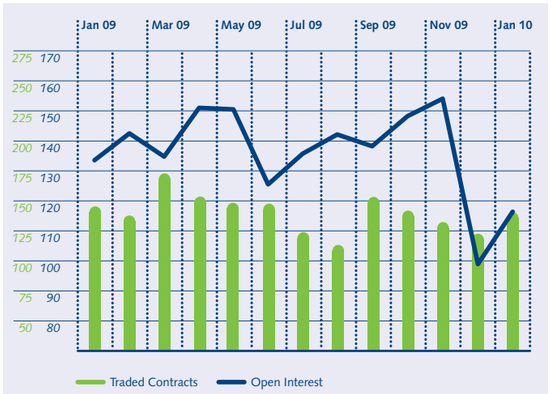
Trademarks and Service Marks
Buxl®, DAX®, DivDAX®, eb.rexx®, Eurex®, Eurex Bonds®, Eurex Repo®, Euro GC Pooling®, Eurex Strategy Wizard℠, EXTF®, FDAX®, FWB®, MDAX®, ODAX®, SDAX®, TecDAX®, VDAX®, VDAX-NEW®, Xetra® and XTF Exchange Traded Funds® are registered trademarks of DBAG. Phelix Base® and Phelix Peak® are registered trademarks of European Energy Exchange EEX. The service marks MSCI Russia and MSCI Japan are the exclusive property of Morgan Stanley Capital International, Inc. RDXxt® is a registered trademark of Wiener Börse AG (Vienna Stock Exchange). iTraxx® is a registered trademark of International Index Company Limited (IIC) and has been licensed for the use by Eurex. IIC does not approve, endorse or recommend Eurex or iTraxx® Europe 5-year Index Futures, iTraxx® Europe HiVol 5-year Index Futures and iTraxx® Europe Crossover 5-year Index Futures. Eurex is solely responsible for the creation of the Eurex iTraxx® Credit Futures contracts, their trading and market surveillance. ISDA® neither sponsors nor endorses the product's use. ISDA® is a registered trademark of the International Swaps and Derivatives Association, Inc. IPD® UK Annual All Property Index is a registered trademark of Investment Property Databank Ltd. (IPD) and has been licensed for the use by Eurex for derivatives. SLI®, SMI®, SMIM® and VSMI® are registered trademarks of SIX Swiss Exchange AG. STOXX®, Dow Jones STOXX® 600 Index, Dow Jones STOXX® Large 200 Index, Dow Jones STOXX® Mid 200 Index, Dow Jones STOXX® Small 200 Index, Dow Jones STOXX® TMI Index, VSTOXX® Index, Dow Jones EURO STOXX 50® DVP, Dow Jones EURO STOXX® Select Dividend 30 Index, Dow Jones EURO STOXX®/STOXX® 600 Sector Indexes as well as the Dow Jones EURO STOXX 50® Index and Dow Jones STOXX 50® Index are service marks of STOXX Ltd. and/or Dow Jones & Company, Inc. Dow Jones, Dow Jones Global Titans 50 Index℠ and Dow Jones Sector Titans Indexes℠ are service marks of Dow Jones & Company, Inc. Dow Jones-UBS Commodity Index℠ and any related sub-indexes are service marks of Dow Jones & Company, Inc. and UBS AG. All derivatives based on these indexes are not sponsored, endorsed, sold or promoted by STOXX Ltd., Dow Jones & Company, Inc. or UBS AG, and neither party makes any representation regarding the advisability of trading or of investing in such products. All references to London Gold and Silver Fixing prices are used with the permission of The London Gold Market Fixing Limited as well as The London Silver Market Fixing Limited, which for the avoidance of doubt has no involvement with and accepts no responsibility whatsoever for the underlying product to which the Fixing prices may be referenced. PCS® and Property Claim Services® are registered trademarks of ISO Services, Inc.

The names of other companies and third party products may be trademarks or service marks of their respective owners.

In January 10.8 Million Contracts per Trading Day at Eurex and ISE

In January 2010, the international derivatives exchanges of the Eurex Group (Eurex and ISE) recorded an average daily volume of 10.8 million contracts (Jan 2009: 10.5 million). Of those 7.0 million were Eurex contracts and 3.75 million contracts were at the U.S.-based International Securities Exchange (ISE). In total, 140.0 million contracts were traded at Eurex and 71.2 million at the ISE.

Eurex – Traded Contracts & Open Interest (in Millions): Jan 2009 – Jan 2010



Eurex achieved 63.4 million contracts in its equity index segment – the largest product segment, compared with 70.2 million contracts the year before. Futures on the Dow Jones EURO STOXX 50® Index stood at 26.6 million contracts and 23.5 million on the options of this index.

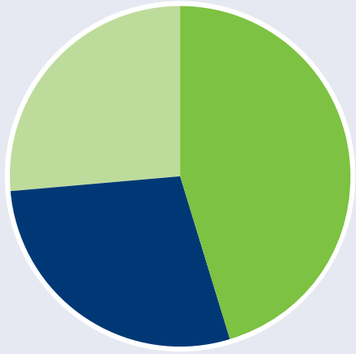
The equity derivatives (equity options and Single Stock Futures) segment at Eurex recorded 36.8 million contracts (Jan 2009: 40.0 million). Thereof, equity options totaled at 28.8 million contracts and Single Stock Futures another 8.0 million contracts. Dividend-based derivatives represented roughly 370,000 contracts.

There has been significant growth year-on-year for Eurex's interest rate derivatives segment. The segment increased by 16 percent and achieved 39.6 million contracts (Jan 2009: 34.1 million). The Euro-Bund Future reached 15.0 million contracts in January, the Euro-Bobl Future 8.7 million contracts and the Euro-Schatz Future 10.6 million contracts. The Euro BTP Future – launched in September 2009 – totaled almost 100,000 contracts.

In January 2010, Eurex Repo reported growth in all markets. Its secured money market segment GC Pooling® recorded an average outstanding volume of EUR 78.7 billion, which is up 57 percent year-on-year. The EUR Repo market grew by 31 percent and totaled EUR 95 billion. All Eurex Repo markets achieved an average outstanding volume of EUR 181.1 billion, an increase of 19 percent year-on-year.

The electronic trading platform Eurex Bonds, which rounds out Eurex's fixed income product range, grew in January 2010 by 8 percent year-on-year and recorded a volume of EUR 7.7 billion (single counting) compared to EUR 7.1 billion the previous year. In December the figure was EUR 5.2 billion.

Eurex – Traded Contracts by Asset Classes



Equity Index Derivatives	*63,365,493*
Interest Rate Derivatives	*39,619,836*
Equity Derivatives	*36,801,064*

Further Asset Classes at Eurex: Dividend, Volatility Index, Exchange Traded Funds®, Credit, Inflation, Commodity, Weather and Property Derivatives

Overview – Most Active (25) Traded Contracts: Jan 2010

		Traded Contracts						Open Interest	
		Jan 2010	Change YoY	Daily Average	2010	Change YtD	Orderbook Vol	Jan 31, 2010	Change YoY
DJ EURO STOXX 50® Index Futures	FESX	26,558,769	1.27%	1,327,938	26,558,769	1.27%	90.63%	2,195,197	–18.15%
DJ EURO STOXX 50® Index Options	OESX	23,529,982	–21.87%	1,176,499	23,529,982	–21.87%	24.06%	39,419,730	–22.68%
Euro-Bund Futures	FGBL	14,976,907	11.40%	748,845	14,976,907	11.40%	93.79%	936,301	5.25%
Euro-Schatz Futures	FGBS	10,595,887	19.92%	529,794	10,595,887	19.92%	90.44%	1,649,496	28.58%
Euro-Bobl Futures	FGBM	8,742,635	12.06%	437,132	8,742,635	12.06%	91.79%	748,047	–4.58%
DAX® Options	ODAX	7,995,179	–7.49%	399,759	7,995,179	–7.49%	25.67%	8,445,019	–18.73%
Deutsche Telekom Options	DTE	3,650,499	17.24%	182,525	3,650,499	17.24%	29.91%	8,688,640	39.36%
DAX® Futures	FDAX	3,125,677	–4.82%	156,284	3,125,677	–4.82%	95.09%	163,978	–7.93%
Allianz Options	ALV	2,748,933	–25.61%	137,447	2,748,933	–25.61%	39.55%	5,421,944	–30.05%
Nokia Options	NOA3	2,379,383	–17.21%	118,969	2,379,383	–17.21%	27.73%	3,102,577	–18.30%
Options on Euro-Schatz Futures	OGBS	2,213,256	87.93%	110,663	2,213,256	87.93%	14.03%	761,362	18.18%
Options on Euro-Bund Futures	OGBL	2,199,055	0.18%	109,953	2,199,055	0.18%	27.99%	594,202	–0.84%
Banco Santander Futures	SANG	1,925,272	2,306.59%	96,264	1,925,272	2,306.59%	0.01%	1,673,513	1,934.57%
Siemens Futures	SIEF	1,876,250	–47.64%	93,813	1,876,250	–47.64%	0.88%	508,731	–68.67%
UBS Options	UBSN	1,491,953	114.40%	74,598	1,491,953	114.40%	61.09%	2,577,045	57.30%
Münchener Rückversicherung Options	MUV2	1,460,682	–25.02%	73,034	1,460,682	–25.02%	70.68%	2,220,521	–26.51%
SAP Options	SAP	1,368,539	–21.44%	68,427	1,368,539	–21.44%	36.34%	2,000,985	–21.31%
ThyssenKrupp Futures	TKAG	1,367,101	–45.20%	68,355	1,367,101	–45.20%	0.00%	72,036	–88.04%
E.ON Options	EOA	887,202	93.39%	44,360	887,202	93.39%	27.26%	1,420,835	38.98%
SMI® Futures	FSMI	880,314	–6.48%	44,016	880,314	–6.48%	80.49%	260,634	7.01%
Schweizerische Rückversicherung Options	RUKN	869,734	–23.36%	43,487	869,734	–23.36%	64.50%	3,348,162	64.10%
Credit Suisse Group Options	CSGN	816,493	87.43%	40,825	816,493	87.43%	48.48%	1,499,586	27.28%
Deutsche Bank Options	DBK	803,914	–32.36%	40,196	803,914	–32.36%	51.35%	1,164,622	–31.57%
Novartis Options	NOVN	777,408	36.56%	38,870	777,408	36.56%	52.08%	1,388,284	–2.81%
Daimler Options	DAI	777,155	33.85%	38,858	777,155	33.85%	28.51%	1,446,633	–29.19%

Volatility Index – FVS (VSTOXX® Mini Futures) in Percent, at Day End: Jan 2010



European Yield Curve



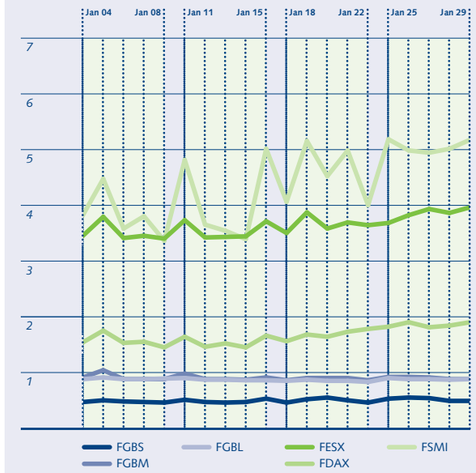
Source: Bloomberg

Monthly Key Market Information

Interest Rates (Main Refinancing)	**Rate (Month End)**
ECB Rate	1.00%
Fed Fund Rate	0.25%
BoE Bank Rate	0.50%
Inflation Rate	**Rate (Previous Month End)**
Eurozone (YoY)	0.80%
iTraxx® CDS Indexes	**Market Price (Month End)**
iTraxx® Europe 5Y	70.83
iTraxx® HiVol 5Y	112.70
iTraxx® Crossover 5Y	453.15
Equity Indexes	**Index (Month End)**
Dow Jones EURO STOXX 50® Index	2,776.83
DAX®	5,608.79
SMI®	6,440.72
CTD Bond for	**Bond (Month End)**
Euro-Schatz Mar 10	DE0001137289
Euro-Schatz Jun 10	DE0001141505
Euro-Schatz Sep 10	DE0001135200
Euro-Bobl Mar 10	DE0001135267
Euro-Bobl Jun 10	DE0001135267
Euro-Bobl Sep 10	DE0001135283
Euro-Bund Mar 10	DE0001135374
Euro-Bund Jun 10	DE0001135374
Euro-Bund Sep 10	DE0001135382
Euro-Buxl® Mar 10	DE0001135226
Euro-Buxl® Jun 10	DE0001135226
Euro-Buxl® Sep 10	DE0001135275
CONF Mar 10	CH0018454253
CONF Jun 10	CH0018454253
CONF Sep 10	CH0018454253

Sources: Bloomberg, Deutsche Börse and Eurostat

Eurex Liquidity Measure – DJ EURO STOXX 50® Index, DAX®, SMI®*, Euro-Bund, Euro-Bobl, Euro-Schatz Futures*



* **Liquidity Measure:** The liquidity of futures contracts can be expressed using an indicator denominated in basis points. This indicator is based on the spread, market depth and on whether an order can be immediately executed. (Nominal value EUR 1 Mio.)

For detailed Eurex January data please click here.