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monthly news from Eurex Group | October 2011

Eurex Clearing Prisma: Setting new standards in CCP risk management

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Eurex Clearing

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In June 2012, we plan to launch Eurex Clearing Prisma, our new portfolio-based risk management methodology. This will allow cross-margining between Eurex's listed derivatives and between Eurex's listed and OTC products (except CDS), thereby improving the efficiency, safety and integrity of the global financial markets.

Under the new portfolio-based methodology, Eurex Clearing will calculate combined risks across all markets for products that share similar risk characteristics within customer positions according to liquidation groups resulting in more accurate risk calculations. This allows us to provide higher capital efficiencies and a stronger risk management framework to our customers.

Eurex Clearing Prisma is a core initiative of our strategic roadmap to prepare for upcoming regulatory changes and to improve market safety and integrity. Further major projects include new Client Asset Protection services and new EurexOTC services for interest rate swaps and equity OTC products.

Key benefits

Our new portfolio-based risk management methodology will provide the following benefits:

- **Higher capital efficiencies:** More accurate risk netting effects for listed, and between listed and OTC positions.
- **Greater accuracy:** Cross-product scenarios enable a consistent way to account for portfolio correlation and diversification effects.
- **Robustness:** Methodology designed to enable stable margin requirements.
- **Consistent framework:** Consistent risk and liquidation framework for listed and OTC products.
- **More flexible:** Broader range of instruments covered with faster time-to-market.

High level concept

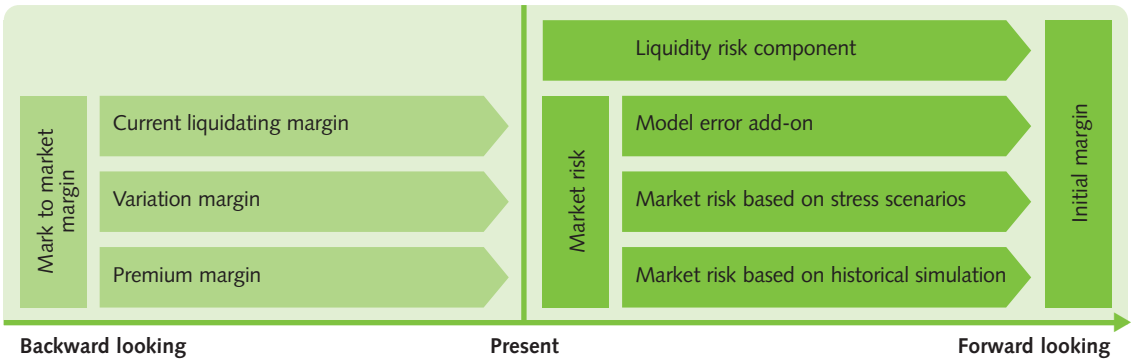
The Eurex Clearing Prisma method is based on the view of each member's entire portfolio and has the advantage to account for hedging and cross-correlation effects through determining the margin requirement on a portfolio level as opposed to a product-by-product view. The single elements in the concept are selected so that risk calculation is made adequately and stable, ensuring that the concept

withstands new challenges and changes to the financial markets and flexibly adapts to changes in the risk environment.

As depicted in the graph below, there will be two margin components:

- backward looking margin components (i.e. the mark-to-market margin) and
- improved forward looking margin components (i.e. the initial margin). With Eurex Clearing Prisma only these components will be changed.

Eurex Clearing Prisma risk component approach



Optimized default management process

The default management process will be adapted to meet the requirements of the new portfolio margining method. As portfolio margining can only be applied for positions which can be handled jointly in case of a clearing member default, each product will be assigned to a so-called liquidation group. Liquidation groups consist of products across different asset classes, allowing offsets to be calculated within the group. Offsets across different liquidation groups will not be granted.

We will set up a Default Management Committee comprising proven industry experts who advise, assist and provide recommendations to us during a default situation and on an ad-hoc basis.

Three-phased implementation

The Eurex Clearing Prisma launch is planned for June 2012 in a step-by-step introduction. In order to facilitate the transition to Eurex Clearing Prisma for our customers, we will introduce the new margin method in three steps encompassing different product groups and asset classes.

Decommissioning of the Risk-based Margining method is scheduled for Q3 2013.

For further information, please see circular 060/11.

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Your feedback is important to us.

Do you have any comments or suggestions on our newsletter? Please send an e-mail to:
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Eurex Clearing's perspectives on regulatory changes and new business opportunities

Part 3: The response of the clearing house

In the third and last part of this Xpand series, Matthias Graulich, Head of Clearing Initiatives at Eurex Clearing, gives an overview of the products and services of Eurex Clearing.

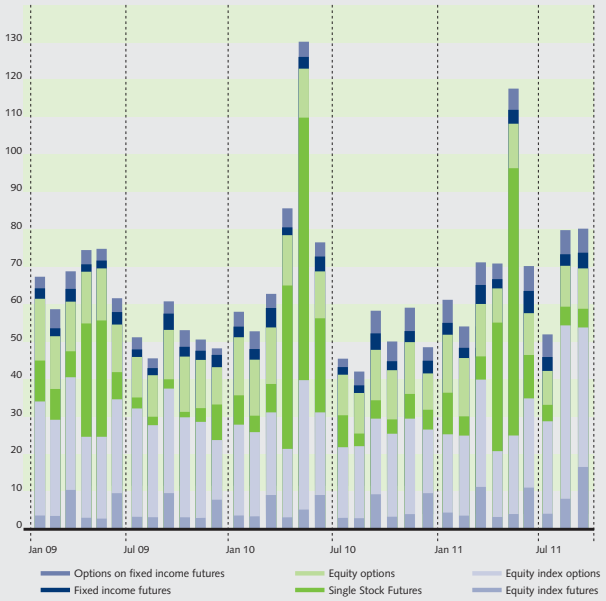
At Eurex Clearing, we believe that clearing models for OTC and exchange-traded derivatives will converge in the coming years. This offers opportunities to benefit from proven clearing process models for implementing client clearing and to leverage existing infrastructure. Most importantly, smart clearing approaches that exploit capital efficiencies across products will allow for higher capital efficiency and lower collateral cost for clearing members and their clients.

It is central to our business objectives to help customers develop solutions which support long-term growth of their businesses while, at the same time, ensuring the safety and integrity of the market.

EurexOTC Clear

In the context of the upcoming regulatory reforms expected to require mandatory clearing for standardized OTC derivatives in the U.S. and Europe, Eurex Clearing will expand its EurexOTC services to include OTC-traded interest rate swaps and equity derivatives. Furthermore, EurexOTC Trade Entry facilities enable participants already today to enter off-order book trades in the Eurex® system for exchange-like transactions. With these facilities members can benefit from the flexibility of customized trading and the advantages of standardized clearing and settlement in a safe environment.

EurexOTC volumes (in millions)



More than 654 million contracts were traded in 2011 until end of September (2009: 618) via the EurexOTC Trade Entry facilities with roughly half of the volume attributable to equity index products. The month of May 2010 represents a record volume month with almost 130 million contracts entered using EurexOTC Trade Entry facilities.

At Eurex Clearing approximately 40 percent of our contract volume is already comprised of bilaterally agreed transactions in standardized futures and options, which are all centrally cleared. This significant volume demonstrates that market participants are receptive to clear their OTC business at Eurex Clearing. Moreover, as many members of the sell side are already actively utilizing the EurexOTC Trade Entry facilities, they can build on their experiences in the context of the expected clearing obligation via central counterparties.

In addition to the expansion of the EurexOTC clearing service into interest rate and equity OTC products such as swaps, Eurex Clearing's strategic agenda includes two further major initiatives focusing on risk management and safety for OTC derivatives: the introduction of a new risk methodology as well as a client asset protection service.

Industry leader in risk management

Above all, Eurex Clearing's ambition is to be the industry leader in risk management. Eurex Clearing is the first and only major clearing house worldwide that provides its members with real-time risk information, the "Enhanced Risk Solution", a data feed that provides full transparency for trading and clearing participants on their risk position, margin requirements and collateral pledged. Pre-trade risk controls that allow Eurex members to set margin limits are another of our innovative solutions and the latest addition to our suite of pre-trade tools to contribute to market safety.

The new risk management approach will further contribute to the safety of the market, while delivering capital efficiencies to our clients by providing offsets particularly between Eurex's listed and OTC-traded derivatives.

To increase capital efficiency while determining the true risk of a portfolio we plan to introduce a new risk methodology for the clearing house in June 2012: Eurex Clearing Prisma will be portfolio-based rather than instrument-focused, as is the case in many current CCP risk management approaches. The new portfolio-based risk methodology will allow cross-margining between futures and options as well as swaps, offering buy side and sell side firms significant margin and collateral efficiencies.

Client Asset Protection

As our objective is to maximize both operational and capital efficiencies for participants, client asset protection is an area in which we have invested significant efforts over the last years. We have developed an approach that provides operational certainty as well as portability of positions and assets in the event of a clearing member default.

Eurex Clearing provides an innovative offering that gives the asset management industry a choice in the degree of asset protection depending on their risk aversion profiles. In August 2011 we reached a significant milestone as we launched the first building block of our new Client Asset Protection services – the Individual Clearing Model. This model permits individual segregation of client assets at the clearing house. In the case of member default, our solution ensures that Eurex Clearing can transfer positions and assets of a given client to another clearing member based on a tripartite agreement, which avoids interference from the administrator of the clearing member in default. Eurex Clearing will introduce further building blocks of its Clearing Asset Protection Services in 2011 and 2012.

Outlook

Going forward, safety and capital efficiency will remain driving factors in the industry. At Eurex Clearing we are actively working to further improve and expand our offering and services to meet these challenges head on. In addition to our expansion into the OTC markets, our plans include the extension of our product segment, introduction of securities lending and further refinements to our margining methodology. In close partnership with our clearing members, we continue to develop new and innovative ways to help proactively monitor and reduce risk and streamline operations.

As the regulatory landscape continues to change, we remain engaged with regulators on issues of account structure, trading environments, clearing requirements and clearing house risk management policies and procedures. While the regulators are focused on the goal of reducing systemic risk – which we strongly support – we are committed to assuring that OTC market participants can present their trades for clearing in the most seamless way

possible, that clearing members and their customers have access to the best risk management tools possible and that Eurex Clearing continues to provide safe and sound clearing services.

As we fulfill our ongoing commitment of safeguarding the marketplace, we continue to play an important role in helping the financial markets deliver their full economic benefits.

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Matthias Graulich, Head of Clearing Initiatives at Eurex Clearing
Matthias Graulich is currently heading the Clearing Initiatives section at Eurex Clearing. Before that he held a number of leadership and project management positions at Deutsche Börse and Eurex for various strategic projects, amongst others, the merger and integration of the International Securities Exchange in 2007.

Matthias holds a Master of Business Administration degree from the Fuqua School of Business at Duke University in North Carolina.

Eurex in Asia

One year of Eurex KOSPI Product – a success story

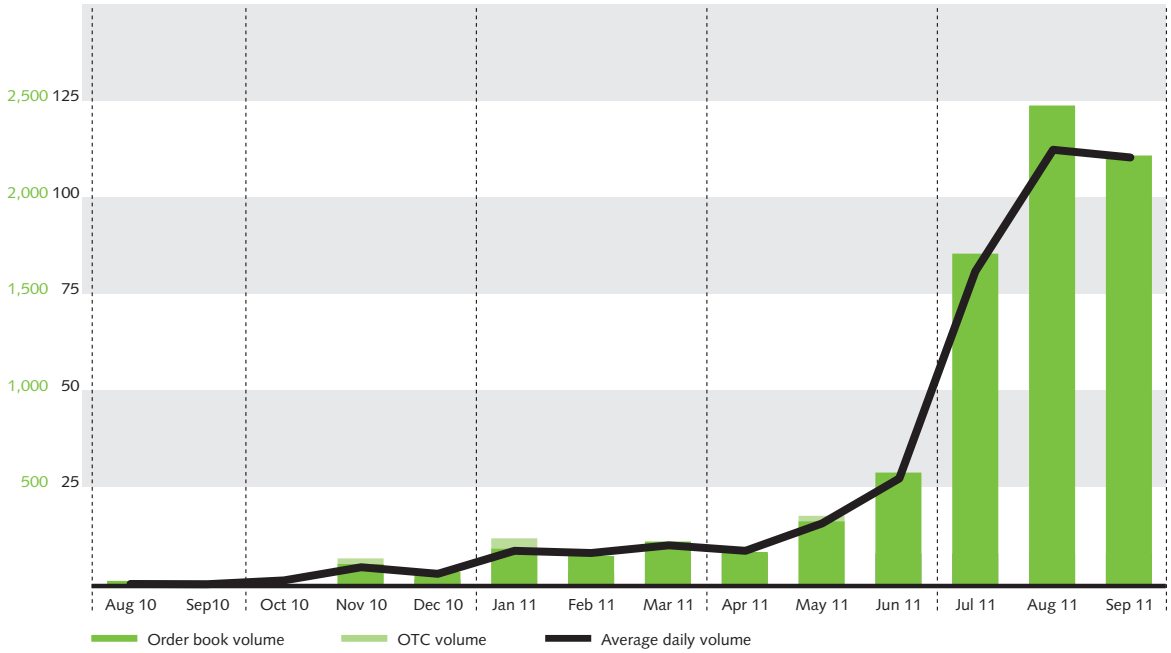
From 0 to more than 5,7 million contracts in only 12 months – that's the positive result Eurex and KRX presented at a joint press conference in Seoul on September 5, 2011. In August 2011, an average of more than 100,000 contracts was traded, and in the meantime, a new trading record was reached with about 275,000 traded contracts on October 12, 2011.

The Eurex KOSPI product enables market participants to trade KOSPI 200 Options during European and North American trading hours. With these results, it has successfully established itself at the market within just one year. In the meantime, more and more Eurex users have started to look not only at trading in the order book, but also at using the EurexOTC Block Trade facility which allows OTC transactions to be cleared and settled directly and efficiently through Eurex Clearing.

The expectations of the cooperating partners KRX and Eurex have thus been exceeded and the product has long since become an efficient risk management instrument for investors engaged in Korea. It is therefore perceived as one of the most innovative and successful cooperations by stock exchanges and has caught the attention of market participants worldwide.

The number of active investors and participating Eurex and KRX members has been growing steadily. At the beginning one year ago, there were twelve participants and today already 21 KRX and Eurex members can trade the Eurex KOSPI Product, while nine more are currently preparing for participation. Against this background, an expansion of the cooperation is more than obvious. Volumes for the worldwide most heavily traded derivatives can be expected to rise continuously.

Eurex KOSPI Product: traded contracts (in thousand)



The Eurex KOSPI Product is a daily futures on the KOSPI 200 Options that are listed at the KRX. The futures contracts have maturities at the end of every trading day and open positions are transferred to the KRX.

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Shanghai Summer Camp: Fostering future fund managers and financial professionals

This summer Shanghai hosted an auspicious premiere. The first ever "SAIF-Eurex 'Tomorrow Fund Manager' Summer Camp", jointly organized by Shanghai Advanced Institute of Finance/ Shanghai Jiatong University and Eurex. The summer camp was joined by 50 students from more than 18 renowned universities and major colleagues in China and funded by Eurex.

Right from the first announcement the camp attracted great response from college students all across China, wanting to gather financial-derivative-related knowledge and familiarize themselves with the global financial markets operation. After a detailed examination of the applicants and a strict selection and screening process 50 students were chosen to be the first "campers" of the "SAIF-Eurex 'Tomorrow Fund Manager' Summer Camp".

During the five day summer camp the students were facing a tightly packed program. Amongst others, the agenda included an introduction to the futures and options market, trading strategies and practical application, risk management and trends in global derivatives.



Roland Schwinn, Head of Business Development Asia and Middle East, Eurex welcomes students and guests at the Opening Dinner Party

The whole project was an important milestone in the cooperation between SAIF and Eurex and provided a brand-new financial industry experience for college students. The success of the first camp encouraged the cooperation partners to plan further joint activities.

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Release & Technology

For further reading: "Enhancing network transparency"

With the launch of Eurex Release 14.0 on November 7, 2011, the Eurex® system will not only again improve functionality but also reduce latency. It's against this background that we recommend the article "Enhancing network transparency". In the article, written for "Automated Trader Magazine", Vassilis Vergotis, Head of Eurex's Office Americas, explains the exchange's transparency statistics for member firms and how the mutually beneficial information policy resonates within the high-frequency community.

Click here to read the article.

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or click here for more information about Eurex Release 14.0.

Strategy: EURO STOXX® versus VSTOXX® Options combo with underlying

Motivation

A portfolio manager who hedged his EURO STOXX 50® portfolio using EURO STOXX 50® Index Futures at the end of June 2011, at an index level of 2,763, now wishes to unwind the futures hedge. At the present level of 1,995 points, he considers the potential for a recovery to be greater than the risk of further price reductions. Nonetheless, he wants to remain largely hedged against a falling market. There are several options as to how to achieve this:

He might want to buy an at-the-money (ATM) put on the EURO STOXX 50® or a call on the VSTOXX®. Buying a put on the EURO STOXX 50® would cost EUR 143.30 per contract, equivalent to 6.8 percent of the market value of his portfolio. A more cost-effective alternative would be to use call options on the VSTOXX®. This hedging strategy is based on the assumption that market volatility will rise in the event of a major decline in the underlying market. With this alternative, hedging costs would amount to only 5.3 percent of the nominal value – 1.5 percent cheaper compared to a hedge using EURO STOXX 50® Index Options.

The portfolio manager could partly cover the cost of the hedge by simultaneously selling an out-of-the-money put on the VSTOXX®. This could reduce the premium to be paid by a further 50 percent, whereas selling a similar out-of-the-money call on the EURO STOXX 50® would only yield a one percentage point reduction. In essence, hedging a EURO STOXX 50® portfolio using volatility options, as shown in our example, would only involve hedging costs to the tune of 2.65 percent of the portfolio value, compared to a net cost of 5.8 percent when using traditional index derivatives.

Assuming that the underlying portfolio was worth around EUR 20 million at an index level of 2,763 points, the original hedge required approximately 7,240 index contracts (portfolio value / index level). Back in June, the portfolio manager sold 723 EURO STOXX 50® Index Futures. By early September, this short position yielded a profit of EUR 5,552,640 (index decline × number of contracts × contract value) which offset the losses sustained on the underlying cash portfolio.

Strategy

The first step in developing the strategy is to determine the relationship between a decline in the underlying index and a corresponding increase in the VSTOXX® Mini Futures contract. As illustrated by graph 1, the EURO STOXX 50® Index fell from 2,763 points at the end of June to 1,995 at the beginning of September. The VSTOXX® Mini Futures rose from 23.8 percent to 53.4 percent during the same period.

Given a decline of the EURO STOXX 50® Index by 768 points and a simultaneous increase in the VSTOXX® by approximately 30 percentage points, each VSTOXX® percentage point was equivalent to a 26-point loss in the stock index. This relationship is used as a basis for selecting the ATM call on the VSTOXX® to be used as a proxy for a hedge using a put on the EURO STOXX 50®.



Graph 1 Source: Bloomberg

The second assumption for constructing the hedge is an average portfolio loss sensitivity of EUR 7,234 for each index point decline (portfolio value loss / change in the EURO STOXX 50®). To hedge the portfolio, which has a current value of EUR 14,447,360, using a put option on the EURO STOXX 50® Index requires the purchase of 705 ATM puts with an exercise price of 2,050 (portfolio value / exercise price / contract size). In order to hedge a sensitivity of EUR 7,234 per index point using VSTOXX® Options, as in our example, we need to buy the equivalent number of ATM calls on the VSTOXX® which offsets this potential loss. Based on the assumptions outlined above, a portfolio loss of EUR 188,084 (EUR 7,234 × 26 index points) will need to be covered for each percentage point increase in the VSTOXX® Mini Futures contract. Given the contract specifications of the VSTOXX® Options, approximately 1,880 VSTOXX® calls are required for the hedge (EUR 188,084 / EUR 100 per VSTOXX® index point). An at-the-money VSTOXX® call with an exercise price of 50 is traded at around EUR 4.10, which equates to a total premium of EUR 770,800 (EUR 4.10 × 100 × 1,880), or approximately 5.3 percent of the portfolio value.

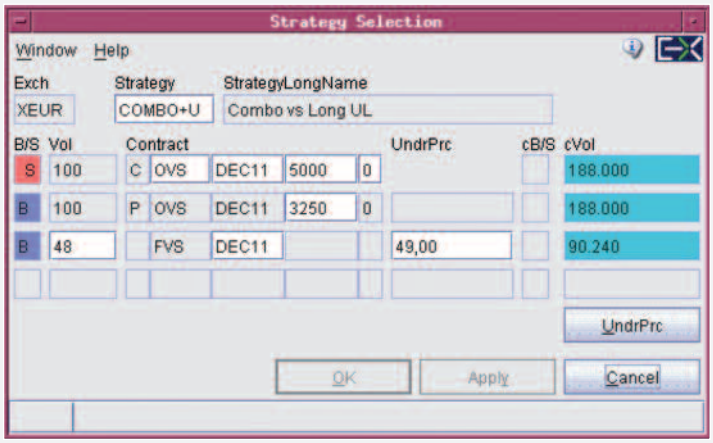
Assume that the VSTOXX® Mini Futures exhibits a behavior that is similar to the EURO STOXX 50® Index, that is, in a ratio of 1 percentage point to 26 index points. To finance half of the premium paid, the portfolio manager chooses to sell a December VSTOXX® put option with an exercise price of 32.5, yielding a premium of EUR 2.05. This means that the VSTOXX® would need to fall by more than 17 percent (below the exercise price of the sold put) for the portfolio manager to no longer benefit indirectly from an increase in the EURO STOXX 50® Index. In index points, this would equate to a 442-point rise (17 percentage points × 26 index points), or an index level of around 2,526 (current level of 2,084 + 442 index points). Therefore, for the purpose of comparison with a hedge using index options, we need to consider selling a 2,500 call. At the current market level, however, this call option only yields a premium of EUR 22 per contract (or approximately 1.05 percent of the current market level).

Even when selling a call, using index options to hedge the portfolio would still cost around 5.8 percent of the portfolio value. When structuring the hedge using volatility options, the net cost is only 2.65 percent – a saving of circa 3.15 percent or approximately EUR 455,000.

Trade entry

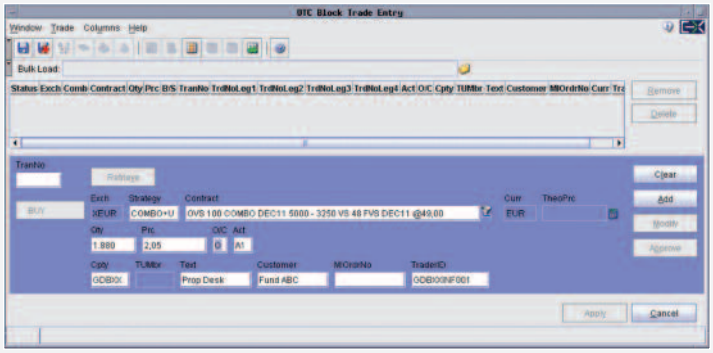
Step 1: Since the trade will be made for 1,880 contracts, the portfolio manager's broker chooses to enter the trade via a Strategy Block Trade. After the broker has identified the counterparty quoting the best price in the market (EUR 2.05 for the strategy) and agreed the transaction, the broker's counterparty enters the trade into the Eurex® system by selecting *OTC Block Trade Entry* in the **OTC Order Entry** window.

Given the conventions of the Eurex® system, the investor is the seller of the combo strategy. The respective market counterparty has to initiate the Strategy Block Trade, as the buyer. The counterparty selects the *Combo+U* strategy type. The broker and his counterparty have agreed to execute the trade as a delta-neutral trade. The counterparty then enters the exercise prices of the respective options as well as the option premiums and the delta of the combo trade into the **Strategy Selection** window.



Graph 2 Source: @X-ceed Trading GUI

Step 2: After having entered the relevant information into the **Strategy Selection** window (see screenshot) and having pressed *Apply*, the strategy can be seen in the *Contract* field of the **OTC Strategy Order Entry** window. Now the counterparty needs to specify the number of contracts, the total option price agreed (in the *Limit* field) and the Eurex counterparty (in the *Cpty* field), and then to submit the trade into the system. A transaction number (*TranNo*) will be assigned, which the counterparty then communicates to the portfolio manager's broker. Using the transaction number, the broker will retrieve the trade details in the EurexOTC Block Trade facility and confirm the trade. Note that this general process is standard for all EurexOTC Block Trade entries.



Graph 3 Source: @X-ceed Trading GUI

Profit and loss scenarios

To analyze the strategy, we need to compare a hedge using index options with a hedge using volatility derivatives.

The main risk for the portfolio manager is a change in the relationship of 26 index points to a one percentage point volatility change in the VSTOXX® Mini Futures. When using this approach for longer-term strategies, a multi-period correlation coefficient should be taken into consideration when determining the hedge ratio, to account for the mean-reversion properties of the relationship between the two indexes.

Three main scenarios are conceivable for the outcome of the strategy:

- The hedge works best with an unchanged correlation of the EURO STOXX 50® and VSTOXX® indexes. In this case, any price losses in the stock index will be offset by a corresponding increase in the volatility index.
- A material change in the correlation may have a positive effect, if the benefit from a stronger reaction of the VSTOXX® exceeds price losses sustained on the underlying cash portfolio. Likewise, the effect of this basis risk may be negative, if the reaction of the VSTOXX® is less pronounced, leading to a reduced hedge effect.
- The worst-case scenario occurs in the relatively improbable event of the EURO STOXX 50® suffering a significant price loss, and the VSTOXX® falling simultaneously. In this scenario, the hedge might potentially be ineffective.

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Commodity derivatives

New incentive model for CO_2 spot and derivatives market

On September 01, 2011, Eurex Exchange and the European Energy Exchange (EEX) have introduced a new incentive model for the emissions market which especially targets the secondary market trading.

The new incentive model provides for two volume thresholds: If the monthly volume achieved by a trading participant exceeds a level of 2 million tonnes or a level of 4 million tonnes of CO_2, the company concerned qualifies for a bonus of EUR 10,000 or EUR 20,000 respectively.

This bonus will be paid to at maximum three trading participants that have traded the respective highest volumes above the thresholds specified in each month. All the products that are available for secondary trading in emission allowances, i.e. the spot market for EU Emission Allowances (EUA) and the derivatives market for EUA and Certified Emission Reductions (CER), will be considered.

All trading participants that are licensed for the spot and derivatives market for Emission Allowances will automatically be considered for this model. Market Makers are not included in this model. Eurex Exchange and EEX offer a separate incentive scheme to them.

For more information on our CO_2 offering, please click here.

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Eurex MarginCalculator

This simulation program is designed to calculate margin requirements for all markets cleared by Eurex Clearing. The Eurex MarginCalculator covers all products of these markets and is therefore reviewed and updated on a regular basis. The latest version (version 11) for example, has been extended to include vola shifts introduced alongside with Eurex Release 13.1. This enables a more accurate calculation of margin requirements for options positions.

Read more and download the MarginCalculator.

New interactive training opportunity for EurexOTC Trade Entry facilities

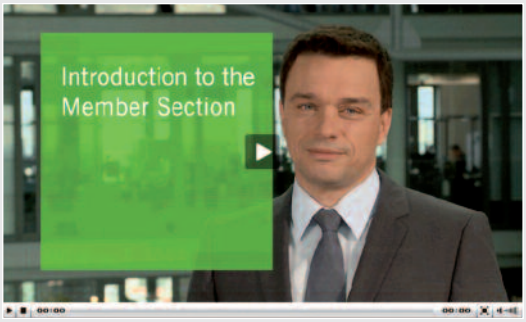
Eurex Exchange and Deutsche Börse Group's Capital Markets Academy now provide you with a simulation tool to make yourself familiar with how to enter your off-exchange trades into the Eurex® system. EurexOTC Trade Entry facilities allow to combine the flexibility of customized trading with the advantages of standardized clearing and settlement – just like exchange trading.

The new interactive set of slides guides you through the different steps of a trade registration and gives you the opportunity to enter an exemplary trade into the system simulation. Eurex Exchange's Block Trade, Multilateral Trade Registration, Vola Trade, Flexible Contracts, Exchange for Physicals and Exchange for Swaps facilities are covered by the training tool.

Click here and train yourself.

Redesigned Member Sections

Since September 19, clients can benefit from the newly designed Eurex and Deutsche Börse Group member sections. We have given all the familiar services a totally new modern look and feel while optimizing the site for intuitive navigation.



This video guides you through the main features.

Events

Events and conferences in November and December 2011

	Location	Date
GSL London Summit	Grange City Hotel, London, Great Britain	November 03
C5's EU OTC Derivatives & Clearing Conference	The Sheraton Park Hotel, London, Great Britain	November 09–10
FIXGlobal Face2Face Forum	The Westin Chosun, Seoul, South Korea	November 25
7th Annual FIA Asia Derivatives Conference	St. Regis Hotel, Singapore	November 29 – Dezember 01

Capital Markets Academy in November and December 2011

Course		November	December
Certificate programmes			
	Certified Clearing Specialist (NEW)[1]		**12–16** London
Fundamentals			
	Eurex at a Glance		**07** London
	Financial markets regulation[1]		**16** London
	The market place[1]		**12** London
Clearing and settlement			
	Clearing processes[1]		**14–15** London
	Risk and the CCP[1]		**13** London
Trader/clearer admission			
Eurex clearer admission	Preparation course Eurex clearer test		**08** Paris
	Preparation course Eurex clearer test – intensive[2]		**08–09** Paris
	Eurex clearer test	**16** Chicago **22** London **29** Paris **30** Frankfurt/Eschborn **30** New York	**06** London **13** Paris **14** Frankfurt/Eschborn **14** Chicago **15** Zurich **16** New York
Eurex trader admission	Eurex – system training trading[3]	**02, 30** London **16** Paris **16** Chicago	**07** Paris
	Eurex trader examination[4]	**02** Helsinki **02, 30** Chicago **04, 18** Hong Kong **09, 30** Frankfurt/Eschborn **22** Zurich **22** London **25** Singapore **29** Paris **29** New York	**02, 14** Frankfurt/Eschborn **02, 16** Hong Kong **06** London **13** Paris **14, 28** Chicago **15** Zurich **15** New York **30** Singapore **30** Taipei
Eurex Repo training			
	Eurex Repo system training CHF Repo & OTC Spot Market	**09** Zurich	**19** Zurich
	Eurex Repo system training SecLend Market	**24** Zurich	**14** Zurich

1 This new programme offers an excellent opportunity to the industry community to significantly enhance knowledge of clearing processes and how counterparty risk is managed across a variety of different markets and platforms and relevant public policy issues. The final examination will be held on January 16, 2012.
2 The second day of this two day preparation course is set up as a workshop. Participants will have the opportunity to ask detailed questions on specific topics.
3 Participation in the half-day training serves as proof of the necessary experience required for admission to Eurex Germany.
4 Only individuals for whom an application for admission as exchange trader was already submitted via the "Electronic eXchange Admission Service (eXAS)" within the "Eurex Member Section" will be admitted to sit the examination.

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 +41-58-399-2424, **www.eurexrepo.com**.

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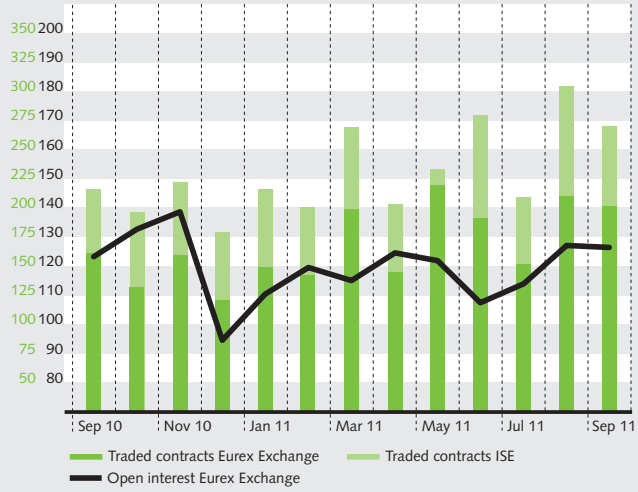
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Average daily volume of 12.4 million contracts at Eurex Group in September

- **Eurex Exchange: equity index derivatives with highest growth year-on-year**
- **Eurex Repo: GC Pooling® with new all-time high**

In September 2011, the international derivatives exchanges of Eurex Group recorded an average daily volume of 12.4 million contracts (Sep 2010: 9.9 million). Of those, 9.1 million were Eurex Exchange contracts (Sep 2010: 7.3 million), and 3.3 million contracts (Sep 2010: 2.6 million) were traded at the U.S.-based International Securities Exchange (ISE). The growth of 25 percent year-on-year is due to the stronger hedging needs of market participants driven by uncertainty resulting from the European sovereign debt crisis, which led to an increasing use of exchange-traded and centrally cleared derivatives in the current market environment. In total, 201.1 million contracts were traded at Eurex Exchange and 68.8 million at ISE.

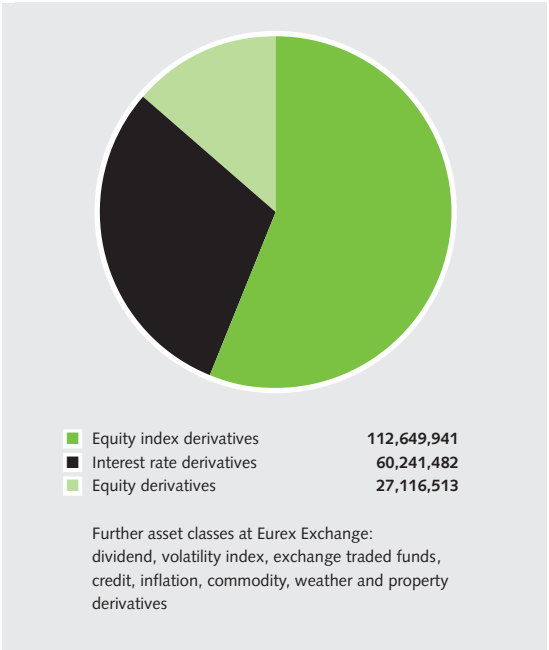
Traded contracts (Eurex Exchange and ISE) & open interest (Eurex Exchange) in millions: September 2010 – September 2011



Stock Futures to match international standards, with the effect of potentially lower turnover in these products. The adjusted figure of monthly volume in the equity derivatives segment in August would have been approximately close to 32 million contracts based on an extrapolation.

Eurex Exchange's interest rate derivatives segment totaled 60.2 million contracts (Sep 2010: 61.7 million). The Euro-Bund Future reached 23.5 million contracts, the Euro-Bobl Future 13.0 million contracts and the Euro-Schatz Future 15.8 million contracts. The Long-Term Euro-BTP Future totaled more than 250,000 contracts and the Short-Term Euro-BTP Future 48,500 contracts.

Eurex Exchange – traded contracts by asset classes



At Eurex Exchange, equity index derivatives as the largest segment recorded 112.6 million contracts (Sep 2010: 69.4 million), an increase of 62 percent year-on-year and the second-best month in 2011. The future on the EURO STOXX 50® Index totaled 51.0 million contracts, its best monthly result year-to-date. The option on this blue chip index totaled 41.3 million contracts. Futures on the DAX® recorded 5.5 million contracts, also a monthly record in 2011. The DAX® Options reached another 6.5 million contracts. The Eurex KOSPI Product achieved its second-best monthly result with 2.2 million contracts, an ADV of 101,000 contracts.

The equity derivatives (equity options and Single Stock Futures) segment at Eurex Exchange reached 27.1 million contracts (Sep 2010: 30.0 million). Thereof, equity options totaled 21.8 million contracts and Single Stock Futures equaled 5.3 million contracts. Equity derivatives volume year-on-year is influenced by the change of contract specifications: In Q1/2011, Eurex Exchange increased the contract size of most equity options and Single

The Eurex segment dividend-based derivatives more than doubled year-on-year and totaled 774,000 contracts. Volatility derivatives achieved 250,000 contracts.

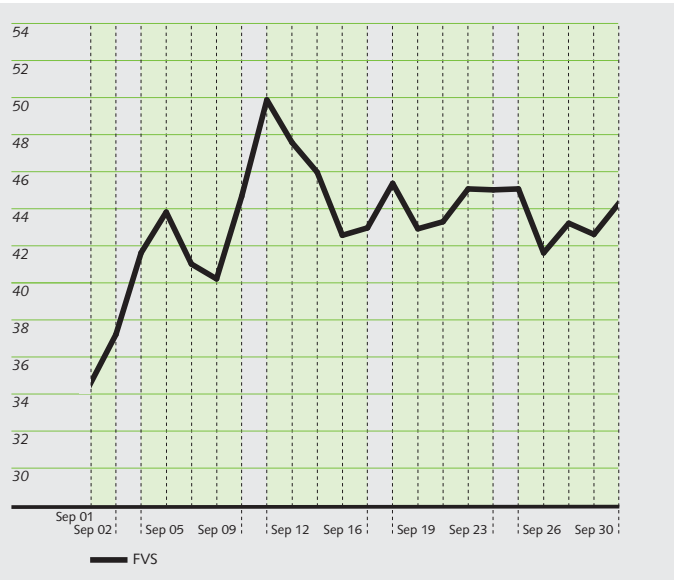
Eurex Repo, which operates CHF, EUR repo and GC Pooling® markets, achieved new records in the EUR Repo and GC Pooling market. The EUR Repo Market totaled an average outstanding volume of EUR 179.4 billion in August, an increase of 47 percent year-on-year. The secured money market GC Pooling® recorded a new monthly peak with an average outstanding volume of EUR 145.4 billion, an increase of 50 percent year-on-year (Aug 2010: EUR 97.1 billion). The CHF Repo market reached EUR 76.3 billion. All Eurex Repo markets recorded EUR 255.7 billion average outstanding volume (Sep 2010: EUR 274.1 billion).

The electronic trading platform Eurex Bonds, which rounds out Eurex's fixed income product range, traded EUR 7.8 billion (single counting) in September, an increase of 7 percent year-on-year (Sep 2010: EUR 7.2 billion). In August 2011, volume was EUR 9.1 billion.

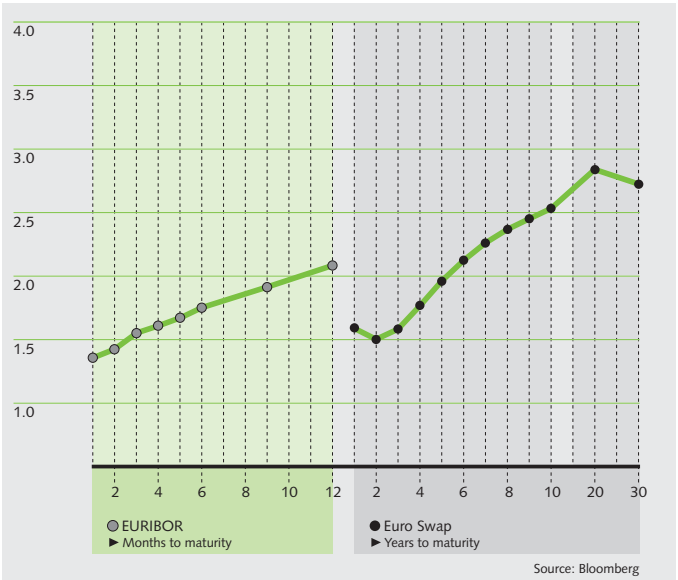
Overview – Eurex's most active (25) traded contracts: September 2011

		Traded contracts						Open interest	
		Sep 2011	Change yoy	Daily average	2011	Change ytd	Orderbook vol	Sep 30, 2011	Change yoy
EURO STOXX 50® Index Futures	FESX	51,027,369	47.66%	2,319,426	316,342,960	8.81%	74.22%	3,627,770	67.22%
EURO STOXX 50® Index Options	OESX	41,254,782	85.04%	1,875,217	274,733,805	27.12%	20.46%	46,509,262	12.16%
Euro-Bund Futures	FGBL	23,487,184	–11.41%	1,067,599	188,313,920	6.97%	92.93%	873,165	–3.28%
Euro-Schatz Futures	FGBS	15,789,568	15.20%	717,708	135,309,525	23.88%	90.79%	1,159,246	0.53%
Euro-Bobl Futures	FGBM	13,016,743	–7.24%	591,670	115,874,438	13.59%	91.15%	697,596	–9.71%
DAX® Options	ODAX	6,485,714	24.19%	294,805	51,975,404	–10.16%	37.09%	6,111,897	–17.41%
DAX® Futures	FDAX	5,547,314	48.26%	252,151	33,627,983	5.84%	93.93%	179,304	6.89%
Options on Euro-Bund Futures	OGBL	4,213,948	–21.05%	191,543	25,816,112	–8.33%	17.36%	752,922	–48.54%
Deutsche Telekom Options	DTE	2,612,851	40.23%	118,766	19,212,710	–14.44%	51.75%	6,520,407	–23.74%
KOSPI 200 Options	OKS2	2,216,735	415,797.75%	100,761	7,991,933	1,434,717.41%	100.00%	0	-
Options on Euro-Schatz Futures	OGBS	1,923,409	47.29%	87,428	23,002,162	81.60%	6.65%	629,003	72.68%
SMI® Futures	FSMI	1,840,772	46.52%	83,671	10,406,770	18.84%	89.56%	189,346	55.36%
E.ON Options	EOA	1,359,700	3.82%	61,805	12,945,244	59.54%	45.06%	3,156,689	42.27%
Commerzbank Options	CBK	1,235,956	95.16%	56,180	12,542,721	96.90%	89.29%	2,547,528	41.69%
Options on Euro-Bobl Futures	OGBM	1,220,051	190.54%	55,457	13,433,796	135.39%	9.63%	294,134	204.06%
Banco Bilbao Vizcaya Argentaria Futures	BBVG	1,203,828	-	54,719	7,992,261	-	0.00%	491,989	-
Nokia Options	NOA3	1,200,916	–64.26%	54,587	21,093,757	–2.58%	40.12%	4,723,855	–6.17%
UBS Options	UBSN	1,170,089	5.67%	53,186	9,253,785	–26.22%	64.28%	2,190,552	–10.66%
Deutsche Bank Options	DBK	1,109,727	7.12%	50,442	7,344,217	2.43%	45.22%	2,049,590	23.77%
EURO STOXX® Banks Futures	FESB	1,035,452	619.03%	47,066	3,869,464	379.64%	26.88%	180,420	550.19%
Nestlé Options	NESN	896,086	46.79%	40,731	6,127,614	16.20%	40.60%	1,543,419	26.46%
Daimler Options	DAI	790,296	23.52%	35,923	6,970,059	11.98%	42.64%	2,127,999	47.31%
Credit Suisse Group Options	CSGN	758,212	–14.02%	34,464	7,056,471	–15.62%	51.85%	2,062,340	5.99%
Siemens Options	SIE	677,853	41.32%	30,812	4,417,401	8.44%	31.69%	1,216,475	17.84%
Novartis Options	NOVN	665,248	22.85%	30,239	5,153,466	–0.90%	46.57%	1,449,887	12.59%

Volatility index – FVS (VSTOXX® Mini Futures) in percent, at day end



European Yield Curve



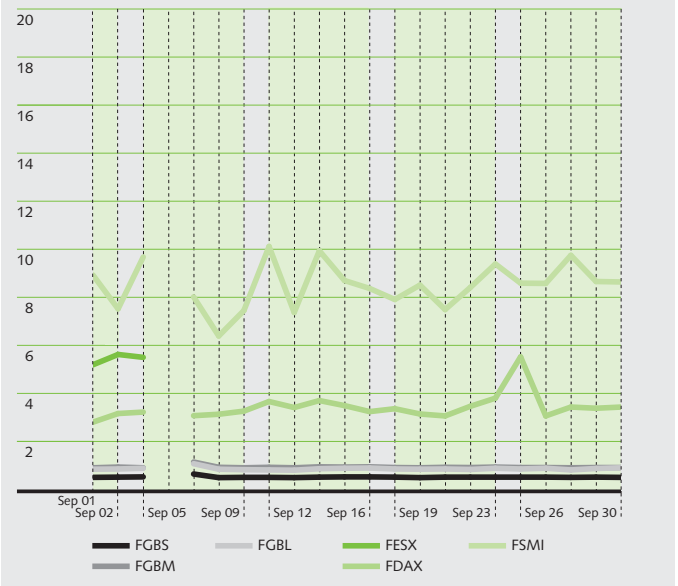
Source: Bloomberg

Monthly key market information

Interest rates (main refinancing)	Rate (month end)
ECB rate	1.50%
Fed Fund rate	0.25%
BoE Bank rate	0.50%
Inflation rate	**Rate (previous month end)**
Eurozone (YoY)	2.50%
iTraxx® CDS indexes	**Market price (month end)**
iTraxx® Europe 5Y	179.51
iTraxx® HiVol 5Y	205.16
Equity indexes	**Index (month end)**
EURO STOXX 50® Index	2,179.66
DAX®	5,502.02
SMI®	5,531.74
CTD bond for	**Bond (month end)**
Euro-Schatz Jun 11	DE0001137339
Euro-Schatz Sep 11	DE0001137347
Euro-Schatz Dec 11	DE0001137354
Euro-Bobl Jun 11	DE0001135291
Euro-Bobl Sep 11	DE0001141604
Euro-Bobl Dec 11	DE0001135309
Euro-Bund Jun 11	DE0001135390
Euro-Bund Sep 11	DE0001135408
Euro-Bund Dec 11	DE0001135408
Euro-Buxl® Jun 11	DE0001135275
Euro-Buxl® Sep 11	DE0001135275
Euro-Buxl® Dec 11	DE0001135275
CONF Jun 11	CH0021908907
CONF Sep 11	CH0021908907
CONF Dec 11	CH0021908907

Sources: Bloomberg, Deutsche Börse and Eurostat

Eurex liquidity measure – 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 September data, please click here.