X-pand into the Future

e u r e x *circular 127/03*

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⚠ **Action Required** ⚠ **High Priority**

Price Range for OTC Trades in Equity Index Futures

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office ➲ Auditing / Security Coordination	Extract from Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Eurex is extending the price parameters for the input of OTC block trades in equity index futures with effect from January 2, 2004. The price for an OTC block trade will then be allowed to be up to 0.2 percent over the highest day rate or up to 0.2 percent below the lowest day rate. Currently, OTC block trades in equity index futures may only be made at prices in the range between the lowest and highest day rates of the respective contracts.

The following products are affected: DJ Global Titans Future (FGTI), DJ STOXX^{SM} 50-Future (FSTX), DJ EURO STOXX^{SM} 50-Future (FESX), DAX®-Future (FDAX), TecDAX®-Future (FTDX), Nemax® 50-Future (FN50), SMI® - Future (FSMI), HEX25®-Future (FFOX), as well as futures on the DJ EURO STOXX^{SM} sector indices (FESA, FESB, FESC, FESE, FESF, FESG, FESH, FESI, FESM, FESN, FESO, FESR, FESS, FEST, FESU, FESV, FESY, FESZ) and DJ STOXX^{SM} 600 sector indices (FSTB, FSTH, FSTI, FSTT, FSTU, FSTY).

Eurex Clearing AG

Conditions for Utilization of the OTC Trade Entry Facilities
(General Conditions for Participation)

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5 Contract Price of OTC Trades

5.1 The contract price of OTC Trades entered into the Eurex Clearing System using one of the OTC Trade Entry Facilities must lie within an interval determined by Eurex Clearing AG as set out below:

5.2 As a general rule, ~~For futures contracts~~the interval for futures contracts is between the daily high and low prices of the respective futures contracts recorded on the Eurex Exchanges on the respective exchange trading day, up to the time of entry of an OTC Trade. When calculating the interval for futures contracts on stock indices, in each case a maximum deviation of up to 0.2 percent of the recorded daily high and low prices on that trading day for the futures contract on a stock index is permitted.

5.3 For options contracts, theoretical maximum and minimum values for the option price of a Block Trade are determined during the trading day on the basis of the daily high and low prices of the respective underlying instrument, as recorded up to the time of entry of the Block Trade, and the respective implied volatilities established within the options market of the Eurex Exchanges. The interval thus determined is extended at its extreme values by 50 per cent of the maximum Market Maker Quote Spread permissible for the respective product, resulting in the range of permissible option prices for Block Trades.

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