X-pand into the Future

e u r e x *circular 115/03*

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Recipients: All Eurex members and vendors
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Eurex Release 6.1: More Precise Margin Calculation and Position Valuation since Introduction on October 27, 2003

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Content may be most important for:	**Attachments:**
➲ Middle + Back Office ➲ IT / System Administration ➲ Auditing / Security Coordination	none

Summary:

Since the introduction of Release 6.1, Eurex applies data formats for margin calculation which permit a higher precision. Should you use a third-party software which calculates margins, differences might appear caused by rounding up or down.

In principle, the value of a position is calculated on the basis of the value per contract (Trade Unit * Price * Tick Value/Tick Size), rounded up or down to two decimal places, and then multiplied by the amount of contracts. This means: “amount of contracts * [round (Trade Unit * Price * Tick Value/Tick Size)]”.

This algorithm is applied with regard to certain reports for margin calculation/position valuation as well as the calculation of

- Premium
- Variation Margin
- Cash Settlement.

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with regard to the following reports:

CB010	Position Detail
CB095	Variation Margin Overall Summary
CB102	Cash Settled Contracts
CC010	Premium Margin
CC040	Liquidating Values
CC045	Additional Margin
CC042	Liquidating Values EEX
CC047	Additional Margin EEX

The calculated values out of these reports will be used again in the further processing.

For the general description of margin calculation please see the Eurex brochure "Risk Based Margining" which is available for download from our internet page "www.eurexchange.com" under the path: "Clearing & Settlement > Risk Based Margining".

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