eurexbonds Rundschreiben 55/09

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Empfänger: Alle Handelsteilnehmer der Eurex Bonds
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Hohe Priorität

Neuer Auktionsplan für Covered Bonds

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Zielgruppe:

- Front Office / Trading
- Middle + Back Office
- Revision/Security Coordination

Anhang:

- New Auction Schedule for Covered Bonds (Powerpoint Presentation, nur in englischer Sprache)

Am 20. Juli 2009 wurde das neue Handelsmodell „Auktionen“ für Covered Bonds & Guaranteed Bonds im Rahmen einer Pilotphase erfolgreich eingeführt.

In der Auktion für Covered Bonds mit einer Restlaufzeit von 5 Jahren (Bucket 2014) befinden sich derzeit eine hohe Anzahl von Anleihen.

Um eine Begrenzung der Instrumente pro Auktion zu erreichen, wird ab dem **31. August 2009** das Bucket 2014 in vier Auktionen unterteilt.

Durch diese Maßnahme ändert sich der Auktionsplan für Covered Bonds.

Der Auktionsplan für Guaranteed Bonds bleibt davon unberührt.

Weitere Details sind in der folgenden Präsentation verfügbar.


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Auctions
on Eurex Bonds
New Auction Schedule for
Covered Bonds

Auction Parameters

- Instruments within a defined maturity range are bundled in buckets
- Each maturity bucket will be traded in a specific auction
- Staggered auctions with a duration of 2 minutes each
  + approx. 10 sec random end time
- Auctions for Covered Bonds start at 11:00 a.m. (CET)
- Auctions for Guaranteed Bonds* start at 11:45 a.m. (CET)
- Complete auction phase per segment will last approx. 30 minutes
- Minimum order size and quote size: 1 million

* Including Agencies, Explicitly Government Guaranteed Bonds and State Bonds

Arrangement of Instruments

- Instruments will be organised in buckets
- Buckets will be setup according to the instruments' maturity
  - 6-months-buckets at the short end (up to 3 years)
  - 12-months-buckets for longer maturities
  - NEW: 3-months-buckets for Covered Bonds with a remaining time to maturity of 5 years
  - The auction buckets and auction schedule for Guaranteed Bonds remain unchanged
- Each maturity bucket will have a specific auction

New: Bucket Organisation for Covered Bonds as of 31 August 2009

Due to the high number of instruments with a remaining time to maturity of five years, the bucket will be split into quarter-yearly buckets:

Auction Buckets	Instruments with maturity:	Year	
Bucket 1	until June 2009	Current Year	**Half-Yearly Buckets**
Bucket 2	from July 2009 - December 2009		
Bucket 3	from January 2010 - June 2010	Current Year + 1	
Bucket 4	from July 2010 – December 2010		
Bucket 5	from January 2011 - June 2011	Current Year + 2	
Bucket 6	from July 2011 – December 2011		
Bucket 7	2012	Current Year + 3	**Yearly Buckets**
Bucket 8	2013	Current Year + 4	
Bucket 9	from January 2014 - March 2014	Current Year + 5	**Quarter-Yearly Buckets**
Bucket 10	from April 2014 - June 2014		
Bucket 11	from July 2014 - September 2014		
Bucket 12	from October 2014 - December 2014		
Bucket 13	2015	Current Year + 6	**Yearly Buckets**
…	…	…	

Trading Model



Trading Phase for Selected Covered Bonds

- For a pre-defined selection of Covered Bonds, the Continuous Trading is interrupted by Intraday Auctions:
- Trading phase*:
  - Start Pre Trading: 07:25 am (CET)
  - Start Continuous Trading: 08:30 am (CET)
  - Covered Bond Auctions: 11:00 am – approx. 11:30 am (CET)
  - End Continuous Trading: 05:30 pm (CET)
  - End Post Trading: 07:00 pm (CET)

* Due to technical reasons, an auction must take place before continuous trading starts and after continuous trading ends. The opening auction runs at 08:29 am (CET) and the closing auction runs at 05:30 pm (CET) with a duration of maximum 10 seconds each. Please note, that orders with “Auction Only” trade restrictions might also be executed during the opening and closing auction.

New Auction Schedule for Covered Bonds as from 1st of September 2009

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Intraday Auctions for Covered Bonds

Bucket	Time (CET)	Auction for instruments with maturity	In 2009
Bucket 1	11:00-11:02	1st half year of the current calendar year	January-June 2009
Bucket 2	11:02-11:04	2nd half year of the current calendar year	July-December 2009
Bucket 3	11:04-11:06	1st half year of the next calendar year	January-June 2010
Bucket 4	11:06-11:08	2nd half year of the next calendar year	July-December 2010
Bucket 5	11:08-11:10	1st half year of the current calendar year + 2	January-June 2011
Bucket 6	11:10-11:12	2nd half year of the current calendar year + 2	July-December 2011
Bucket 7	11:12-11:14	Current year + 3	January-December 2012
Bucket 8	11:14-11:16	Current year + 4	January-December 2013
Bucket 9	11:16-11:18	1st Quarter current year + 5	January-March 2014
Bucket 10	11:18-11:20	2nd Quarter current year + 5	April-June 2014
Bucket 11	11:20-11:22	3rd Quarter current year + 5	July-September 2014
Bucket 12	11:22-11:24	4th Quarter current year + 5	October-December 2014
Bucket 13	11:24-11:26	Current year + 6	January-December 2015
Bucket 14	11:26-11:28	Current year + 7	January-December 2016
Bucket 15	11:28-11:30	Current year + 8	January-December 2017
Bucket 16	11:30-11:32	Current year + 9	January-December 2018
Bucket 17	11:32-11:34	Current year + 10	January-December 2019

Trading Phase for Selected Guaranteed Bonds

- For a pre-defined selection of Guaranteed Bonds, the Continuous Trading is interrupted by Intraday Auctions:
- Trading phase*:
  - Start Pre Trading: 07:25 am (CET)
  - Start Continuous Trading: 08:30 am (CET)
  - Guaranteed Bond Auctions: 11:45 am – approx. 12:15 am (CET)
  - End Continuous Trading: 05:30 pm (CET)
  - End Post Trading: 07:00 pm (CET)

* Due to technical reasons, an auction must take place before continuous trading starts and after continuous trading ends. The opening auction runs at 08:29 am (CET) and the closing auction runs at 05:30 pm (CET) with a duration of maximum 10 seconds each. Please note, that orders with “Auction Only” trade restrictions might also be executed during the opening and closing auction.

Auction Schedule for Guaranteed Bonds

Intraday Auctions for Guaranteed Bonds

Bucket	Time (CET)	Auction for instruments with maturity	In 2009
Bucket 1	11:45-11:47	1st half year of the current calendar year	January-June 2009
Bucket 2	11:47-11:49	2nd half year of the current calendar year	July-December 2009
Bucket 3	11:49-11:51	1st half year of the next calendar year	January-June 2010
Bucket 4	11:51-11:53	2nd half year of the next calendar year	July-December 2010
Bucket 5	11:53-11:55	1st half year of the current calendar year + 2	January-June 2011
Bucket 6	11:55-11:57	2nd half year of the current calendar year + 2	July-December 2011
Bucket 7	11:57-11:59	Current year + 3	January-December 2012
Bucket 8	11:59-12:01	Current year + 4	January-December 2013
Bucket 9	12:01-12:03	Current year + 5	January-December 2014
Bucket 10	12:03-12:05	Current year + 6	January-December 2015
Bucket 11	12:05-12:07	Current year + 7	January-December 2016
Bucket 12	12:07-12:09	Current year + 8	January-December 2017
Bucket 13	12:09-12:11	Current year + 9	January-December 2018

Principles of Auction Trading

- Auctions will run for a pre-defined amount of time.
- Orders / quotes can be entered into the system during the auction phase, but no trading takes place until the auction ends and the price is determined.
- During the auction, if the order book is crossed, an indicative price is shown with volumes and bid- or ask-surplus. If there is no order book crossing, best bid / best ask with volumes will be displayed.
- At the end of an auction matching takes place if possible and the auction price is set; if matching is not possible, auction ends without price fixing.
- Match principle: Maximization of turnover with a minimum of surplus.
- After the auction, remaining quotes will be automatically transferred into the open order book for the following continuous trading phase.

Instrument Static Data

- For a differentiation of instruments selected for intraday auctions, following specification within WM-Datenservice for Eurex Bonds is used:

  WM Table F60, Trading Type → Field XD522WA

  - For Instruments with intraday auction -> '**20**'
  - For instruments without intraday auction -> '**30**'

- The setup data of the instruments in the Xetra trading system, including auction schedule, are provided by Deutsche Börse via a CSV-file.
- The file is updated daily and contains all Xetra listed instrument. A filter of "MIC Code"="XEUB" selects all listed instruments at Eurex Bonds.

  http://deutsche-boerse.com/dbag/dispatch/de/xetraCSV/gdb_navigation/trading/20_tradable_instruments/900_tradable_instruments/100_xetra

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