X-pand into the Future

e u r e x *circular 079/01*

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Recipients: All Eurex members and vendors
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Extension of Expiration Cycles in Dow Jones EURO STOXX 50^{SM} Options

Related circulars: Eurex Project Circulars 17/98, 28/98, DTB Rundschreiben 17/98, 24/98, 26/98
Eurex Circular 22/99

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Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office	1. Provisional Contract Specifications 2. Market Maker Quote Obligations

On **03 September, 2001** Eurex will extend the expiration cycles in Dow Jones EURO STOXX 50^{SM} Options (OESX) by the addition of two expirations in each of the June/December cycle (30 and 36 months) and the December cycle (48 and 60 months). On that date, in addition to the expirations for SEP01, OCT01, NOV01, DEC01, MAR02, JUN02, DEC02 and JUN03, expirations for DEC03, JUN04, DEC04 and DEC05 will also be made available for trading at Eurex (see Attachment 1).

The background to this action concerns the increasing activity in the inter-bank market in the two to seven year maturity range. To take this development into account, in their meeting of 25 July, 2001, the Management Boards of the Eurex Exchanges made the decision to extend the maturity for OESX from a maximum two years to a maximum of five years.

The increased risk for Market Makers in quoting the longer dated series will be mitigated by doubling the maximum spreads for quotes on maturities of 30, 36, 48 and 60 months (see Attachment 2).

Interested Members will have the opportunity to test the new expirations from 17 August, 2001 in the permanent simulation environment.

Provisional Contract Specifications Dow Jones EURO STOXX 50^{SM} Options

Contract Standard

The **Dow Jones EURO STOXX 50^{SM}** Index

Contract Value

EUR 10 per Dow Jones EURO STOXX 50^{SM} index point.

Settlement

Cash settlement, payable on the first exchange trading day following the Last Trading Day.

Price Determination

In points, with one decimal place.

Minimum Price Change

0.1 of a point, equivalent to a value of EUR 1.

Last Trading Day

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading in the expiring options series ceases at 12:00 noon CET on the Last Trading Day.

Daily Settlement Price

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

Final Settlement Price

The average of the Dow Jones EURO STOXX 50^{SM} index values calculated between 11:50 a.m. and 12:00 noon CET on the Last Trading Day. The Final Settlement Price is determined at 12:00 noon CET on the Last Trading Day.

Exercise

European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period.

Expiration Months

The three nearest calendar months, the three following months within the quarterly cycle March, June, September and December thereafter, the two following months of the semi-annual cycle June and December thereafter as well as the two following months of the annual cycle December; i.e. options contracts are available with a lifetime of 1, 2, 3, 6, 9, 12, 18, 24, 30, 36, as well as max 48 and 60 months.

Exercise Prices

Exercise Price intervals for Dow Jones EURO STOXX 50^{SM} Options are as follows:

Expiration Months with a remaining term up to	Number of Exercise Prices	Exercise Price Intervals, in Index Points
3 months	5	50
12 months	5	100
60 months	5	200

At least five Exercise Prices are introduced initially for each expiration month.

Option Premium

The EUR equivalent of the premium in points is payable in full, on the first exchange trading day following the trade date.

Trading Hours

09:00 a.m. until 05:30 p.m. CET.

Market Maker Obligations - Dow Jones EURO STOXX 50^{SM} Options

Minimum Size:

20 contracts on the bid and ask side in all option series.

Maximum Spreads

Maturity Months
1, 2, 3, 6, 9, 12, 18, 24,

Bid up to:	Spread
13.3	2.0
133.3	15 %
9999.8	20.0

Maturity Months
30, 36, 48, 60 *

Bid up to:	Spread
13.3	4.0
133.3	30 %
9999.8	40.0

Response to quote requests:

At least 50% of all Quote Requests have to be answered (up to a max. of 150 quote requests per day averaged over a month):

- within 1 minute

- with a minimum holding time of 10 seconds.

Market Maker Fees:

See Price List.

Fast Market:

In the Fast Market state, the maximum spreads will increase by 100% and the minimum quote size will be reduced to 5 contracts on the bid and ask side.

* Valid from 03 September, 2001