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To: The members of Eurex Deutschland
Date: Frankfurt, September 8, 1998
Reference: PS

Important Informations on Interest-Rate Futures:
1. Price conversion factor
2. Suspension of trading in the third settlement month for DM contracts
3. Delisting of inter-product spreads

Circular No. 51/98

Dear Sir or Madam,

In this circular we wish to advise you of the following important information and/or changes regarding the interest-rate futures:

1. Price conversion factor
In connection with the planned introduction of the Euro-BUXL Future, market participants have approached us several times requesting that the current Eurex price conversion formula (1/12) be adjusted in line with the change from 30/360 to actual/actual for the accrued interest calculation, which has been planned in conjunction with the euro's introduction.

The official formula currently used and published at Eurex to determine the price (conversion) factors for deliverable bonds only takes into account the full months up to the next coupon payment, divided by 12. Therefore, it is not directly connected to the current 30/360 calculation method nor to the future actual/actual method of calculating the accrued interest.

In view of the fact that the current Eurex price conversion formula has always been applied independently of the usual practices for accrued interest calculations in the cash market (30/360); that the formula has not been questioned to date; and that there is already open interest in the MAR 99 BUND future, the following procedure will be applied:

- To ensure that different price factors are not applied for the Eurex interest-rate futures, the current price conversion equation will be retained for the DM interest-rate futures, the Euro interest-rate futures and the Euro-BUXL future until the March 99 delivery date.

- The facts and circumstances involved, and the decision regarding the future calculation methodology for all euro interest-rate futures with respect to the June 99 contract, are in the process of being discussed and agreed upon with the Working Committee on Trading/Interest.

Eurex Deutschland
Börsenplatz 7 - 11
D-60313 Frankfurt am Main
www.eurexchange.com

Postanschrift:
D-60284 Frankfurt
Tel. 069-2101-5316
Fax 069-2101-4461

Geschäftsführer:
Dr. Jörg Franke, Otto E. Nägeli
Andreas Preuß, Jürg Spillmann

You will receive information about this in time for the launch of the Euro-BUXL future on October 2, 1998, and the Euro-BUND future, etc. on October 5, 1998, respectively.

2. Suspension of trading in the third contract month of the DM contracts

For technical reasons, at least three contract months must be offered in the Eurex system for every futures contract. As far as the DM contracts are concerned, which will be running out, this means that further contract months will appear in the system after the last intended delivery date, but no entries or trading will be possible in these contract months. This will first be the case after the last trading day of the September contract for BUND, BOBL, Schatz and Jumbo-Pfandbrief futures. Since these DM-denominated contracts will be delisted after the March 1999 delivery date, only two more contract months will be available for trading as of September 9, 1998. In addition, the June 99 contract will also still be displayed as a delivery month on the relevant Eurex trading screen, but entries of any kind in this contract will be rejected by the system. This also means that calendar spreads involving the June 99 contract will not be possible either.

3. Delisting of inter-product spreads

The inter-product spreads introduced on May 2, 1997, are being delisted, effective October 1, 1998, by resolution of the Eurex General Management, due to a lack of demand. The decision affects the following products:

BOBL - BUND spread,
BOBL - SCHATZ spread,
BUND - SCHATZ spread, as well as
LIB3 - LIB1 spread

Product- Spread Code	SIN	Leg 1	Leg 2
BOBU	846 884	BOBL	BUND
BOSH	846 885	BOBL	SHAZ
BUSH	846 886	BUND	SHAZ
LIBS	846 883	LIB3	LIB1

There is no open interest in these products, since the positions in the respective futures contracts are entered on the books during the end-of-day processing.

Yours sincerely

Jörg Franke Christian Klapproth