e u r e x *rundschreiben*

To: The m em bers of Eu rex Deu tschla nd
Da te: Fra nk fu rt, Septem ber 22, 1998
Ref.: RD

La u nch of the Eu ro-BU XL Fu tu re a t Eu rex

Circu la r No. 53/98

1. **La u nch da te**
2. **Tra d ing hou rs**
3. **Contra ct specifica tions**
4. **Ru les a nd regu la tions**
5. **Tra nsa ction fees**
6. **M a rg in ra tes, m a rg in class, m a rg ing rou p**
7. **Cross ing ru le**
8. **M istra de regu la tion**
9. **Tra nsa ction lim it**
10. **M a rket Order M a tch ing Ra ng e**
11. **Ba sis Tra d ing**
12. **Eu ro conversion**
13. **Des ig na ted M a rket M a k ing**
14. **Prepa ra tions for initia tion of tra d ing**
15. **Qu ote vendor codes**

Dea r Sir or M a da m ,

Now tha t the relev a nt a m endm ents to the ru les a nd regu la tions ha ve bee n a pproved by the Excha ng e Cou ncil, w e a re pleased to provide you w ith the follow ing i porta nt inform a tion on the initia tion of tra d ing in the Eu ro-BU XL fu tu re a t Eu rex.

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1. Launch date

The Euro-BUXL future will be introduced for trading at Eurex on Friday, **October 2, 1998**. As of this date, three quarter-end months will be available for trading in this contract (MAR99, JUN99, SEP99).

2. Trading hours

The trading hours for the Euro-BUXL future have been set as follows:

Pre-Trading	7:30 a.m. to 8:00 a.m.
Trading	**8:00 a.m. to 7:00 p.m.**
Post-Trading	7:00 p.m. to 7:30 p.m.

3. Contract specifications

The final contract specifications are included in Enclosure 1 to this circular.

4. Rules and regulations

Please refer to Enclosures 2 and 3 for the relevant rules and regulations (from the Conditions for Trading/Clearing Conditions).

5. Transaction fees

Enclosure 4 contains the price list for the Euro-BUXL future.

6. Margin rates, margin class, margin group

The margin rate for the BUXL margin class is 130 ticks (1,300 ECU). The spread rates for the back month have been set at 180 ECU for the back month and 260 ECU for the spot month. When this product is launched, the Euro-BUXL future will be included in the BUBO margin group. As a result, offsetting risks of the products BUXL, Jumbo-Pfandbrief, Schatz, Bobl and Bund future will be taken into account accordingly. As a result, much less liquidity is required as margin than would be the case if the margin requirement were calculated for the individual margin classes. The offset factor for the BUBO margin group remains unchanged.

7. Crossing rule

The minimum order size in accordance with subsection 1.3.3 subpart 5 of the Conditions for Trading for Cross and Prearranged Trades in Euro-BUXL futures trading is 500 contracts.

8. Mistrade regulation

The interval applicable for erroneous entries (Mistrades) in accordance with subsection 1.3.2 of the Implementation Regulations in Euro-BUXL futures trading was set at 20 percent of the Initial Margin (26 ticks = 260 ECU).

9. Transaction limit

The transaction limit is 12,000 transactions per day per participant.

10. Market Order Matching Range

The Market Order Matching Range is 5 ticks.

11. Basis Trading

From the introduction you will also have the possibility to execute Basis Trades (BUXL-Futures against the corresponding deliverable bonds).

12. Euro conversion

On January 1, 1999, the contract will automatically be changed over from ECU to EURO 1-for-1.

13. Designated Market Making

Due to the current high market volatility, Eurex has decided to introduce the product without the original planned designated market making. Nevertheless all original planned Market Maker-Houses have confirmed that they will actively support the product, especially during the introduction phase.

14. Preparations for the initiation of trading

- On Wednesday, September 30, 1998, the Euro-BUXL future (EUREX code: "FGBX") and the margin class BUXL will be set up in the EUREX trading system. Corresponding back-office transactions will be transmitted electronically.

- After 7:00 p.m. on Thursday, October 1, 1998, settlement prices in gradations of 0.01 ECU will be dispatched for all contract months of the Euro-BUXL future. Transactions will also be generated for the PMI file. The daily transmission of theoretical prices will also include the transmission of theoretical prices for the Euro-BUXL future. Please disregard these prices.

- On Friday, **October 2, 1998,** trading will be initiated in the Euro-BUXL future. The orders can be entered in the EUREX system as of **7:30 a.m.**.

15. Quote vendor codes

The following quote vendor codes have been given to us by the vendors:

Vendor	**Code**
Bridge	Xe@GBXyym
Bridge Telerate	GBXky.DT und Seite 20506
CQG	Dumy
Databolsa	CGEmy
Datastream / ICV	GER
GISGm bH	BUXL
Telekurs	FGBX
Reuters	EBUX
Silverline Neue Medien Gm bH	965263
Standard & Poor´s Com Stock	1BXky
Bloom berg	Ubmy

If you have any questions, please feel free to call our helpdesks at any time:

Technical Helpdesk

+49-69-2101-1200

Functional Helpdesk

+49-69-2101-1240 Trading
+49-69-2101-1250 Clearing

Yours sincerely

Jörg Franke

Christian Klapproth

Enclosures

Eurex Deutschland

Enclosure 1

S p e c i f i c a t i o n s

Future on a Notional Long-Term Debt Security of the German Federal Government (Euro BUXL Future)

Contract Standard	Long-term notional debt security issued by the German Federal Government with a term of 20 - 30.5 years and a notional coupon of 6%.
Settlement	A delivery obligation arising out of a short position in a Euro-BUXL futures contract may only be performed by the delivery of debt securities designated by Eurex - specifically, Federal Government Bonds (Bundesanleihen) - with a remaining term of 20 - 30.5 years. A minimum issue amount of DM 10 billion or, for new issues as of January 1, 1999, 5 billion Euro is required.
Contract Size	Euro 100,000 (Ecu 100,000 in 1998).
Quotation	In a percentage of the par value, with two decimal places.
Minimum Price Movement	0.01 percent, representing a value of Euro 10 (Ecu 10 in 1998).
Delivery Months	The three nearest quarter-end months of the cycle March, June, September, December.[1]
Notification	Clearing Members with open short positions must notify Eurex by the end of the Post-Trading Period on the last trading day in the delivery month of the futures contract which debt securities they will deliver.
Last Trading Day	Two exchange trading days prior to the delivery day of the relevant quarter-end month. Trading in the contract for this delivery month ends at 12:30 p.m.
Daily Settlement	For each contract, profits and losses arising out of open positions on any trading day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous exchange trading day, the amount to be credited or debited is equal to the difference between the daily settlement prices of the contract on the relevant exchange trading day and the previous exchange trading day. For trades on the relevant trading day, the amount to be credited or debited is equal to the difference between the price at which the trade was concluded and the daily settlement price for this day.

[1] **With introduction of the product the December 1998 delivery month will not be available; the trading will start with the delivery months March, June und September 1999.**

Eurex Deutschland

Enclosure 1

S p e c i f i c a t i o n s

Future on a Notional Long-Term Debt Security of the German Federal Government (Euro BUXL Future)

Daily Settlement Price	The volume-weighted average of the prices of the five last trades, provided they are no more than 15 minutes old, or the volume-weighted average of the prices of all trades that occurred during the final minute of trading if more than five trades occurred during this time. If it is not possible to determine a price under these conditions, or if the price so determined does not reflect the true market conditions, Eurex will set the settlement price.
Delivery Day	The delivery day is the 10th calendar day of the respective quarter-end month if this day is an exchange trading day, otherwise the next succeeding exchange trading day. Delivery is made through Deutsche Börse Clearing AG.
Exchange Delivery Settlement Price (EDSP)	The volume-weighted average of the 10 last trades, provided they are no more than 30 minutes old, or the volume-weighted average of the prices of all trades that occurred during the final minute of trading if more than 10 trades were matched during this time. If it is not possible to determine a price under these conditions, or if the price so determined does not reflect the true market conditions, Eurex will set the EDSP. The EDSP is determined at 12:30 p.m. Frankfurt time on the last trading day.
Margin	Eurex determines the daily margin requirement using its Risk-Based Margining method.

2 Part

Contract Specifications

2.1 Subpart

Contract Specifications for Futures Contracts

2.1.19 Sub-Subpart

Specifications for Futures Contracts on a Notional Particularly Long-Term Debt Security of the Federal Republic of Germany (Euro BUXL Futures)

2.1.19.1 Subject Matter of Contract

(1) A Euro BUXL Future is a futures contract on a notional debt security of the Federal Republic of Germany with a term of twenty to thirty and one-half years and a coupon of 6%. The par value of any such contract is ECU 100,000[1].

(2) After the close of trading in the contract, the seller of a Euro BUXL Future shall be required to deliver debt securities with the nominal value of the contract. Delivery may be made with Government bonds (Bundesanleihen) which have a remaining term of twenty to thirty and one-half years. The debt securities must have a minimum issuance volume of DM 10 billion or in the case of new issues from January 1, 1999 onwards and participation of the Federal Republic of Germany in Stage 3 of the European Economic and Monetary Union (EMU) Euro 5 billion. The purchaser shall be required to pay the tender price. The tender price shall be equivalent to the nominal value of the contract, multiplied by the price of the contract at the close of trading in the contract, multiplied by the conversion factor for the debt securities tendered, plus interest accrued since the last interest payment date or less interest accrued to which the purchaser is not yet entitled *(negative Stückzinsen)*.

2.1.19.2 Term, Close of Trading

(1) Terms expiring on the delivery day of the next, next succeeding and second succeeding delivery months are available at the Eurex Exchanges; the longest term of a contract is thus nine months. Delivery months are the quarter-end months March, June, September and December.

(2) The last trading day of a contract shall be two Exchange days prior to the delivery day (subsection 2.1.19.4) of the relevant quarter-end month. Trading shall end at 12:30 p.m. CET on the last trading day.

[1] According to subsection 2.1.19.6 conversion into Euro 100,000

2.1.19.3 Price Gradations

The prices of the contracts shall be quoted as a percentage of its par value, with two decimal places. The minimum change in price ("Tick") shall be 0.01 percent (ECU 10[2]).

2.1.19.4 Performance, Delivery

(1) The delivery day shall be the tenth calendar day of the respective quarter-end month; provided, however, that if such day is not an Exchange day, delivery shall occur on the next succeeding Exchange day.

(2) The debt securities that may be used to perform Euro BUXL Futures as well as the conversion factors to be applied thereto shall be determined by Eurex Clearing AG and shall be made available to the Exchange Participants on a screen display. The conversion factor adapts the price of the debt securities available for delivery to that of the contract at the end of trading. The debt securities identified for performance must, at the time of delivery, have a remaining uncallable term of twenty to thirty and one-half years.

(3) Deliveries shall be effected between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members. Exchange Participants may only effect onward deliveries of debt securities that have been allocated to their Agent Position Accounts or designated for delivery by their customers.

2.1.19.5 Deviating Terms with respect to the Launch of New Products

With respect to the launch of new products the delivery month December 1998 shall not be available at the Exchange; trading will occur immediately with the terms March, June and September 1999.

2.1.19.6 European Economic and Monetary Union

If the Federal Republic of Germany participates in Stage 3 of the European Economic and Monetary Union (EMU) from January 1, 1999 onwards or later, all series of the Euro BUXL Futures whose last trading day is on a date after the initiation of participation by the Federal Republic of Germany in EMU shall be converted into Euro with effect from such date.

Pursuant to subsection 1.2.1 the Board of Management of the Eurex Exchanges may for factual reasons determine conversion methods deviating from the aforementioned.

[2] According to subsection 2.1.19.6 conversion into Euro 10

2 Part

Settlement of Transactions

2.1 Subpart

Settlement of Futures Contracts

2.1.19 Sub-Subpart

Settlement of Futures Contracts on a Notional Particularly Long-Term Debt Security of the Federal Republic of Germany (Euro BUXL Futures)

2.1.19.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the settlement of futures contracts.

(2) Clearing Members must fulfill their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.

(3) The following shall apply to the procedures for delivery and payment pursuant to paragraph (1):

All physical deliveries and payments shall be concurrently performed between the Clearing Members on the second Exchange day after the notice day (subsection 2.1.19.4); physical deliveries of securities shall be made through Deutsche Börse Clearing AG ("DBC") and payments shall be made through the LZB.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to DBC or SEGA, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments thereof through sufficient deposits in the securities account with DBC or SEGA and credit balances in the Clearing Institution ś account with the LZB.

Up to the conversion of the contract from ECU into Euro pursuant to subsection 2.1.19.6 of the Conditions for Trading at the Eurex Exchanges the following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through DBC on the second Exchange day following the final settlement day. If no trading occurs on the Eurex Exchanges on a day on which banks are open for business, such day shall count for purposes of calculating time periods and may be a settlement day. All Clearing Members must ensure their ability to effect payments on the value date by having sufficient credit balances in the Clearing Institution's account with DBC. Payments on such account shall be made until 10:00 a.m. on the value date on the ECU account of DBC with Deutsche Bank AG. Payments on such account shall be advised by S.W.I.F.T. or by telefax vis-à-vis DBC one day prior to the value date.

2.1.19.2 Daily Settlement

(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash

clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.

(2) The daily settlement price shall equal the volume-weighted average of the prices of the five last transactions, provided that they were entered into not more than 15 minutes ago, or, if more than five transactions were entered into during the final minute of trading, the volume-weighted average of the prices of all transactions entered into during such period.

If it is not possible to determine a price pursuant to the above provisions, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall fix the settlement price.

(3) Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their affiliated Non-Clearing Members mutatis mutandis.

(4) With respect to the payments resulting from the daily settlement the provisions under subsection 2.1.19.1 shall apply mutatis mutandis.

2.1.19.3 Collateral Requirements

(1) The basic provisions for collateral and margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following provisions shall apply:

(2) With respect to futures contracts, collateral must, for positions that may be netted, be maintained to cover the risk that the prices of contracts with different delivery months will not move in exactly the same direction ("Spread Margin"). The netting involves offsetting, to the extent possible, a net long position in one contract against a net short position in another contract with a different delivery month.

(3) In addition to the collateral required under paragraph (2), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all futures positions that cannot be netted in accordance with paragraph (2) assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of the collateral requirements.

2.1.19.4 Performance

(1) A delivery obligation arising out of a short position in a Euro BUXL Futures contract may only be performed by the delivery of debt securities designated by Eurex Clearing AG - specifically, Federal Government Bonds (Bundesanleihen) - with a remaining term of twenty to thirty and one-half years. The obligations shall have a minimum issuance volume of DM 10 billion or in the case of new issues from January 1, 1999 onwards and participation of the Federal Republic of Germany in Stage 3 of the European Economic and Monetary Union (EMU) Euro 5 billion. Clearing Members with open short positions must notify Eurex Clearing AG between the close of trading and the end of the Post-Trading Period on the day that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which debt securities they will deliver. Any prior delivery notices may be amended until

the end of such Post-Trading Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the debt securities to be delivered by such Clearing Member.

One day prior to the delivery day the Clearing Members must confirm pursuant to subsection 2.1.19.1 paragraph (3) to the Clearing House in writing the actual availability of the debt securities which they have notified.

(2) Eurex Clearing AG will, after the end of the Post-Trading Period on the Notice Day, allocate to the Clearing Members with open long positions the debt securities notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Exchange day as to which debt securities were allocated to them and at what tender price (subsection 2.1.19.1 paragraph (2) of the Conditions for Trading at the Eurex Exchanges).

(3) Paragraphs (1) and (2) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; paragraph (2) shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.

2.1.19.5 Default in Delivery or Payment

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the debt securities notified by it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

- Eurex Clearing AG is entitled to obtain by means of securities lending the notified debt securities and deliver them to the Clearing Member which did not receive delivery in a timely manner.

- Eurex Clearing AG is entitled to designate from the basket of deliverable bonds debt securities other than those notified as debt securities to be delivered and to deliver such debt securities to the Clearing Member which did not receive delivery in a timely manner.

In such case, the defaulting Clearing Member must deliver the debt securities so notified by Eurex Clearing AG.

Eurex Clearing AG is entitled to obtain the notified debt securities by means of securities lending and to deliver them to the Clearing Member which did not receive delivery in a timely manner.

- In the event that the debt securities to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of DBC by the fifth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered debt securities. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the fifth Exchange day after the delivery day. Eurex Clearing AG will deliver the debt securities acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with subsection 2.1.19.5 paragraph (1) must be paid by the defaulting Clearing Member.

(4) Furthermore, Eurex Clearing AG will charge the defaulting Clearing Member a contractual penalty. The contractual penalty shall be calculated as follows:

Eurex Clearing AG is entitled to a contractual penalty from the defaulting Clearing Member until delivery is made by the defaulting Clearing Member or until a replacement purchase is made by Eurex Clearing AG on the fifth Exchange day in the amount of 40 ticks per contract and calendar day. In addition, Eurex Clearing AG will charge a contractual penalty until delivery is made in an amount representing a specified percentage - announced by Eurex Clearing AG in advance - of the equivalent of the debt securities to be delivered; such percentage shall be based on the money-market rates prevailing in the market.

(5) In the event that any payment is not made on the payment date, paragraph (4) shall apply mutatis mutandis, whereby the amount of the contractual penalty will be levied on the basis of the overdue amount.

(6) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.

2 Transaction Fees

For transactions pursuant to subsection 1.5.2 of the Clearing Conditions, Deutsche Börse AG shall charge

2.1 the following fees with respect to futures contracts:

2.1.19 Euro BUXL Futures

with respect to Euro BUXL Futures, fees for:

a. order matching		
- trade	per contract	ECU 0.20
b. trade administration		
- trade separation	per transaction	ECU 0.00
- trade adjustment	per transaction	ECU 0.00
- trade transfer	per transaction	ECU 0.00
c. position administration		
- position closing adjustment if these do not take place between 1:30 p.m. on the day of trade and before 1:30 p.m. of the following trading day	per transaction	ECU 0.40
- position transfer	per transaction	ECU 0.00
d. settlement of trades and positions		
- determination of the bonds to be delivered (notification)	per contract	ECU 0.20
- adjustment of the selected bonds (notification adjustment)	per transaction	ECU 1.60
- allocation of the bonds to be delivered (allocation)	per contract	ECU 0.20