eurex*bonds* circular 57/04

Recipients: Eurex Bonds Participants
Date: November 4, 2004
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Content may be most appropriate for System Administrators, Security Administrators, Trading Contacts and Back-Office Staff

Action of Member's Security Administrator/Supervisor required!

Introduction of European Covered Bonds and bonds of the European Investment Bank

Dear All,

On November 15, 2004 Eurex Bonds will introduce European Covered Bonds and additional bonds of the European Investment Bank (EIB) on its platform (see attached presentation for details of both segments).
Euro denominated bonds from Spain, France, United Kingdom and Ireland will be available for trading in the new segment "European Covered Bonds". The additional EIB bonds will extend the existing segment "Agencies ".
Please note that the new products will only be tradable for those members who have an ICSD account in place at Clearstream Banking Luxembourg or Euroclear Banking (see circular 55/04). All other members will not be activated for trading in these new products.

The set-up of the new European Covered Bonds segment will have the following parameters:

InstrGrp	GrpName	InstrTyp
ECOV	EB - European Covered Bonds	BON

The new instrument group is already set-up in simulation and production but is currently empty in production. In order to ensure a smooth trading activity at production start, Eurex Bonds recommends assigning the instrument group to your trader groups **now** (subgroup assignment maintenance). The

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actual list of new instruments for the assignment of the market making license to the individual trader groups will be sent to you in due time.

For the new European Covered Bonds segment the flexible market making scheme will be applied which is already in place for the existing segment Agencies.
Attached you will find the market making parameters for the new segment European Covered Bonds.

If you have any further questions, please do not hesitate to call the Eurex Bonds Info line at +49 (0) 69 – 211 – 11222.

Kind regards,
Eurex Bonds

Attachments:

1. **Preliminary list of EIB and European Covered Bonds**
2. **Definition of the Covered Bonds segment**
3. **Market making requirements**