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n e w s l e t t e r
N° 18 / February 2000 Zurich – Frankfurt/Main
eurex

Eurex to List Equity Options on Dow Jones Euro STOXX 50℠ Issues

Backed by the success of derivatives on the Dow Jones STOXX 50℠ index family, Eurex intends to go one step further with plans for a medium-term introduction of equity options on almost all component issues of the Dow Jones Euro STOXX 50℠ index. Starting with options contracts on six Dutch and three Italian underlying instruments on March 20, 2000, and continued with options on eight French issues on May 22, 2000, the listing process will unfold over the course of the year.

In view of the ever growing degree of globalization in financial markets and the impact of European Monetary Union, investment strategies increasingly shift from a national to an international focus.

Recognizing the constantly growing significance of Dow Jones Euro STOXX 50℠ index component issues, Eurex will provide its international membership with the opportunity to trade Dow Jones STOXX 50℠ index derivatives as well as equity options on individual issues within the indices on a single platform. All of the instruments selected for listing are among the biggest components within the Dow Jones Euro STOXX 50℠ index, and were chosen on the basis of criteria such as their respective index weighting, domestic and international turnover (both in the cash and the derivative markets) and market capitalization.

The options contracts to be listed initially are shown below:

France	Market cap. (EUR bn)	Netherlands	Market cap. (EUR bn)	Italy	Market cap. (EUR bn)
Aventis	48.70	Aegon	56.01	ENI	41.13
France Télécom	119.78	Philips (ordinary)	50.83	Generali	31.03
Total Fina	87.62	Unilever	31.78	Telecom Italia	73.05
Carrefour	53.98	ABN Amro	32.55		
AXA-UAP	46.98	ING	55.81		
Vivendi	53.37	Royal Dutch	129.67		
L´Oréal	48.95				
BNP Paribas	37.90				

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The specifications for options on Italian and French equities will be in line with those for options on German underlyings in Group A, i.e. with a maximum lifetime of 9 months.
To accommodate the needs of Dutch Eurex members, options on Dutch equities will constitute the first exception from the traditional Eurex expiration cycle: for these contracts, the three following months, the next three quarterly months within the January/April/July/October cycle thereafter, as well as the two following annual October expiration months will be available for trading, providing for Dutch equity options with a maximum lifetime of up to three years.

Contract Specifications (Summary):

Countries	Netherlands	Italy	France
Contract size	100	100/500	100
Settlement	T +3	T +5	T +3
Last Trading Day	3rd Friday in the expiration month	3rd Friday in the expiration month	3rd Friday in the expiration month
Expiration Months	The three following months, the next three quarterly months within the Jan/Apr/Jul/Oct cycle thereafter, as well as the two following annual October expiration months	The three following months, plus the next two quarterly months within the Mar/Jun/Sep/Dec cycle	The three following months, plus the next two quarterly months within the Mar/Jun/Sep/Dec cycle
Lifetimes up to	Max. three years	Max. nine months	Max. nine months
Trading Hours	9.30 a.m. – 4.30 p.m. CET	9.30 a.m. – 5.30 p.m. CET	9.30 a.m. – 5.00 p.m. CET

Numerous Eurex members have already indicated their readiness to act as market-makers in the new contracts. This applies particularly to institutions domiciled in the respective home markets and is evidence for the strong trading interest for pan-European equity options among Eurex members.

Eurex membership:

Country	Number
Total	415
Netherlands	20
Italy	11
France	34

The market-maker scheme set out below was developed with a goal of providing market participants with sufficient basic liquidity at all times.

Quotation commitments to be undertaken by market-makers:

Minimum size	Maximum spread		Exception:	L'Oréal
	up to EUR	**Spread**	**up to EUR**	**Spread**
50 contracts (for bid and ask) across all series (except for L'Oréal where the minimum size is 10 contracts	1.33	EUR 0.20	7.49	EUR 1.00
	6.66	15%	15	EUR 2.00
	999.80	EUR 1.00	99.99	20%
			9999.8	EUR 20.00

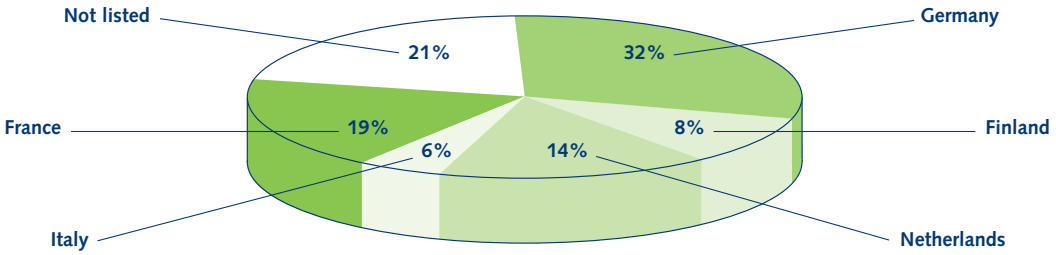
continued page 3

Fees

Trading fees amount to EUR 0.20 per contract. As an additional incentive for market-makers, a reduced fee rate of EUR 0.04 per contract for trades entered on the 'M' position accounts was approved. The fees offered by Eurex are thus considerably lower than those charged by exchanges in the respective home markets.

Once the listing of these new equity options contracts has been completed, 32 out of the total 50 component issues of the Dow Jones Euro STOXX 50℠ index will be traded at Eurex, covering approx. 80% of the overall market capitalization of the index.

Share of Eurex Dow Jones Euro STOXX 50℠ equity options of total index:



Assuming the successful introduction of these products, additional equity options contracts will be listed on issues within the Dow Jones Euro STOXX 50℠/STOXX 50℠ index universe. The objective is to list the whole range of index components for these two indices, enhancing the already widely diversified Eurex product range with further European derivatives. For further questions please contact Kai Distelmann: T +49 (0)69-21 01-57 97, e-mail kai_distelmann@exchange.de



Eurex Orderbook Information available via Information Providers

Market depth Information (Level 2) for futures via Information Providers is being dissemated as of January 17, 2000. Thus, orderbook information is offered for dissemination to end users by Information Providers via their Information Systems (TPF).

The product **"Eurex Market Depth"** for futures does not only offer the "Best Bid/Best Ask" information (Level 1) but also provides vendors with the following four best Bid and Ask prices of Eurex traded futures including the corresponding turnover for dissemination to their customers.

The **Level 2 Information** will be provided for futures according to the following list whereas the two actual maturities will be available for each contract:

Swiss Federal Government Bond	**Euro Bund**
DAX® Index	**Euro Bobl**
DJ Euro STOXX 50℠	**Euro Schatz**
FOX™ (Finnish Stock Index)	**DJ Nordic STOXX℠**
	SMI® Index
	DJ STOXX 50℠

For end users already using Eurex Level 1 information, Level 2 information will be offered free of charge until March 3, 2000. The product will be fee liable as of April 1, 2000.

The following vendors are providing this new service:

b.i.s.	**Reuters**
Bloomberg	**Telekurs**
Bridge	**vwd**
Fides	

For further information regarding access to the service as well as Pricing please turn to the account manager or hotline of your information vendor.

For further information please contact:
T +48 (0)69-21 01-34 40 or
e-mail IP_Sales@exchange.de

Introduction of Additional Finnish Stock Options

On January 24, 2000, another eight options on Finnish stocks were introduced. The following additional products were listed:

Product name	ISIN Code	WKN	Eurex System Code
Stora Enso Oyj R	FI0009005961	871004	ENUR
TietoEnator Corporation	FI0009000277	870798	TTEB
Helsinki Telephone Corporation	FI0009006621	911777	HEPE
Sampo Insurance Company plc	FI0009003305	881463	SMPA
Metso Corporation	FI0009007835	923876	VLM
Metsä-Serla Corporation B	FI0009000665	876917	MSRB
Fortum Corporation	FI0009007132	916660	FOT
Huhtamäki Van Leer Oyj	FI0009000459	870740	HUKI
Trading hours (CET)			
Pre-Trading	07.30 – 09.30		
Opening/Trading	09.30 – 16.30		
Post-Trading	16.30 – 19.30		

The contract specifications for Finnish Stock options including LEPOs can be found in circular 124/99 (including trade and transaction fees), on the Eurex website **www.eurexchange.com** or in the newly printed Eurex product brochure. Transaction fees for Market Makers will be waived up to and including March 17, 2000, (March 2000 expiration).

If you have any questions, please contact Peter Sack at Eurex on T +49 (0)69-21 01-53 16, or Vesa Heikkilä at HEX on T +358-9-61 66-72 14.

Eurex Release 4.0 – Information **Change to the Trading Hours of Options and Futures on the Dow Jones Euro STOXX 50 SM and the Dow Jones STOXX 50 SM** New Publications **Eurex winner of IFR Award** New Computer-based Training Programs **Dates February/March**

Eurex-Release 4.0 – Information

Information relating to the introduction of Eurex Release 4.0 has been published.

The information is published either as attachments to the e-mail version of circular 123/99, or on the Eurex website **www.eurexchange.com**. The table below shows the documents available:

- Release 4.0 Preliminary Technical Release Notes
- Release 4.0 Preliminary Functional Release Notes
- VALUES API Release Note
- Release 4.0 Information Calendar and Milestones
- Member Front End Development Guide

Release 4.0 Programming Version:

- Overview
- Volume 1
- Volumes 2A, 2B and 2C
- Appendix A to Volume 2

Website path:
Entrance Hall/Access to Eurex/Programming to Eurex

VALUES API Developer's Kits Release 4.0
Developer's Kit Documentation
Website path:
Entrance Hall/Access to Eurex/Programming to Eurex

Change to the Trading Hours of Options and Futures on the Dow Jones Euro STOXX 50 SM and the Dow Jones STOXX 50 SM

Based on the recommendation of the Eurex Working Group (Equity and Index Products) and several requests from the market, the trading hours of options and futures contracts on the Dow Jones Euro STOXX 50 SM and the Dow Jones STOXX 50 SM have been extended. On normal exchange trading days, the start of the Post-Trading phase (corresponding to the End of Trading) will be changed from 17.00 CET to 17.30 CET. The new trading hours for these products therefore are from 09.00 CET until 17.30 CET. There are no changes to the times of End of Trading (12.00 CET) or for exercise of the Options products (19.30 CET) on the Last Trading Day.

New Publications

The new Eurex Product Brochure is now available. For copies please call our Publications Hotline on T +49 (0)69-21 01-15 10. The brochure can also be downloaded from the Eurex website **www.eurexchange.com** in the Entrance Hall.

Eurex Winner of IFR Award

Eurex has been announced the winner of the International Financing Review's 1999 Award for Derivatives Exchange of the Year. The IFR Award goes to firms in the financial sector who have demonstrated outstanding performance and commitment in the capital markets.

The New Computer-based Training Programs are Here – at a Special Offer!

As of the start of the year, Eurex is offering updated versions of the PC learning program "Equity Options" and the information tool "Info Database". Both products are already updated to the new derivatives market standards. On the windows-based CD-Rom, you will find an animated description of Eurex options, interest rate products, contract specifications, pricing model, hedging and trading strategies. The "Info Database", which is compatible with Windows 95, 98 and NT provides explanations of key Eurex terminology. Additionally, the program includes useful formulars for your own calculations. All Xpand subscribers can order both programs until the end of March for only DEM 100.00/EUR 51.13. You save DEM 50.00/EUR 25.56 off the regular price.

For orders, please contact Gudrun Köhler, Member Training:
e-mail gudrun_koehler@exchange.de
T +49 (0)69-21 01-37 67
F +49 (0)69-21 01-37 63

Dates in February and March

February 15–16, 2000
Euromoney Bond Congress,
Queen Elisabeth II Conference Center,
London

March 7–8, 2000
Futures & Options World (FOW),
International Derivatives Exhibition,
Frankfurt/Main

Member Training **Overview Training & Education February – June 2000** Derivatives Market

You will find detailed information in the new Training & Education Brochure which may be ordered via the following number:

Member Training
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	Course	February	March	April	May	June
Traders Examination	Colloquium for	07.02.2000 **L**	06.03.2000 **L**	10.04.2000 **L**	17.05.2000 **P**	15.06.2000 **L**
	Eurex Traders Examination	08.02.2000 **L**	07.03.2000 **L**	11.04.2000 **L**	18.05.2000 **L**	16.06.2000 **L**
		09.02.2000 **P**	08.03.2000 **P**	12.04.2000 **P**	19.05.2000 **L**	23.06.2000 **P**
		15.02.2000 **C**	27.03.2000 **C**	24.04.2000 **C**	22.05.2000 **C**	26.06.2000 **C**
		16.02.2000 **C**	28.03.2000 **C**	25.04.2000 **C**	23.05.2000 **C**	27.06.2000 **C**
	Eurex Traders Examination	07.02.2000 **N**	06.03.2000 **N**	Wk. of Apr. 03 **C**	08.05.2000 **N**	Wk. of Jun. 05 **C**
		14.02.2000 **H**	13.03.2000 **H**	10.04.2000 **N**	Wk. of May 01 **C**	12.06.2000 **N**
		16.02.2000 **L**	15.03.2000 **L**	17.04.2000 **H**	15.05.2000 **H**	26.06.2000 **P**
		17.02.2000 **L**	16.03.2000 **L**	19.04.2000 **L**	22.05.2000 **P**	28.06.2000 **L**
		21.02.2000 **P**	20.03.2000 **P**	20.04.2000 **L**	24.05.2000 **L**	29.06.2000 **L**
		Wk. of Feb. 28 **C**		25.04.2000 **P**	25.05.2000 **L**	
System Training	Eurex Technical Member Training	02.02.2000 **L**		05.04.2000 **L**		07.06.2000 **L**
	Eurex Functional Member Training	08.02.2000 **F**	08.03.2000 **L**	11.04.2000 **F**	09.05.2000 **P**	14.06.2000 **P**
		09.02.2000 **L**	14.03.2000 **P**	12.04.2000 **L**	15.05.2000 **L**	20.06.2000 **L**
		15.02.2000 **P**	15.03.2000 **C**	18.04.2000 **P**	17.05.2000 **C**	21.06.2000 **C**
		16.02.2000 **C**		19.04.2000 **C**		
	System Training for Eurex Clearing	09.02.2000 **F**	09.03.2000 **L**	12.04.2000 **F**	10.05.2000 **P**	15.06.2000 **P**
		10.02.2000 **L**	15.03.2000 **P**	13.04.2000 **L**	16.05.2000 **L**	21.06.2000 **L**
		16.02.2000 **P**	16.03.2000 **C**	19.04.2000 **P**	18.05.2000 **C**	
	Refresher Clearing Workshop	11.02.2000 **L**	10.03.2000 **L**	14.04.2000 **L**	11.05.2000 **P**	16.06.2000 **P**
		17.02.2000 **P**	16.03.2000 **P**	20.04.2000 **P**	17.05.2000 **L**	22.06.2000 **L**
			17.03.2000 **C**		19.05.2000 **C**	
	Clearer Test	01.02.2000 **P**	13.03.2000 **H**	17.04.2000 **H**	15.05.2000 **H**	27.06.2000 **L/P**
	Evidence of Vocational Aptitude	14.02.2000 **H**	14.03.2000 **L**	18.04.2000 **L**	23.05.2000 **C/L/P**	
	for Backoffice Staff	15.02.2000 **L**	21.03.2000 **C/P**	26.04.2000 **P**		
		22.02.2000 **P**				
	System Training for Eurex Security	14.02.2000 **L**		07.04.2000 **P**		19.06.2000 **P**
		18.02.2000 **P**		10.04.2000 **L**		26.06.2000 **L**

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Eurex Zürich AG
Selnaustrasse 30
CH-8021 Zürich

Eurex Frankfurt AG
Börsenplatz 7–11
D-60313 Frankfurt/Main

To order further copies of this brochure:
T +41 (0)1-229 29 89
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