newsletter

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Eurex Newsletter N° 13/August 1999 Zurich – Frankfurt/Main

Introduction of Finnish and Nordic Products at Eurex

On April 9, 1999 the executive boards of Eurex and the Helsinki Securities Exchange (HEX) signed a cooperation agreement related to the two exchanges.

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Depending on the approval of the **Eurex** Exchange Council and the **Eurex** Administrative Board, it is planned to **introduce 30 new products** on the Eurex system. These include 28 products already traded on **HEX**, and two new Nordic index products. **Introduction** of these products is foreseen in three stages (please see table page 2).

From **August 31, 1999** no new expiration dates will be introduced for the existing contracts at **HEX**, with the result that after the December 1999 expiry, all **HEX products** will be traded exclusively on **Eurex**. To avoid a split in liquidity there will be no parallel trading in the Finnish or other Nordic products.

The provisional Eurex contract specifications can be found in the new Nordic Products brochure which can be ordered under the following number:
T +49 (0)69-21 01-1510

Specifications can also be found on our website:
www.eurexchange.com/Entrance Hall/Products

In the Release 3.0 simulation from July 12 to September 6, 1999 the following **Finnish products** will be set up:
Asko Oyj (ASK), **Nokia Oyj A** (NOK), **FOX™ Option** (OFOX) and **FOX™ Future** (FFOX) and the **Option** and the **Future** on the **Dow Jones Nordic STOXX 30℠** (ONOR and FNOR).

If you have any questions, please contact the following numbers:
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Table of Finnish and Nordic Products

at Eurex

	Name of Product	Product Type	ISIN-Code	WKN	Eurex System Code	Listing Dates
1	**Dow Jones Nordic STOXX 30℠ Index Option**	Index Option	DE0009664615	966461	ONOR	04.10.99
2	**Dow Jones Nordic STOXX 30℠ Index Future**	Index Future	DE0009664623	966462	FNOR	04.10.99
3	**FOX™ Option**	Index Option	XC0009654333	965433	OFOX	27.09.99
4	**FOX™ Future**	Index Future	XC0009654341	965434	FFOX	27.09.99
5	**Nokia Oyj A**	Stock Option	FI0009000681	870737	NOK	27.09.99
6	**UPM-Kymmene Oyi**	Stock Option	FI0009005987	881026	UPM	27.09.99
7	**Stora-Enso Oyj R**	Stock Option	FI0009005961	871004	STR	27.09.99
8	**Tieto Enator Corporation**	Stock Option	FI0009000277	870798	TIE	27.09.99
9	**Sonera-Yhtymä Oyj**	Stock Option	FI0009007371	916982	SRA	27.09.99
10	**Merita Oyj A**	Stock Option/ Reduced Series	FI0009000053	870769	MER	15.10.99
11	**Asko Oyj**	Stock Option/ Reduced Series	FI0009002158	897947	ASK	15.10.99
12	**Finnlines Oyj**	Stock Option/ Reduced Series	FI0009003644	887354	FLG	15.10.99
13	**Outokumpu Oyj A**	Stock Option/ Reduced Series	FI0009002422	885421	OUT	15.10.99
14	**Metra Oyj Abp B**	Stock Option/ Reduced Series	FI0009003727	881050	MTA	15.10.99
15	**Pohjola Group B**	Stock Option/ Reduced Series	FI0009000145	870368	POHB	15.10.99
16	**Kesko Oyj B**	Stock Option/ Reduced Series	FI0009000202	884884	KES	15.10.99
17	**Amer-Yhtymä Oyj**	Stock Option/ Reduced Series	FI0009000285	870547	AME	15.10.99
18	**Helsingin Telephone Corporation**	Stock Option/ Reduced Series	FI0009006621	911777	HEP	15.10.99
19	**Orion Yhtymä Oyj B**	Stock Option/ Reduced Series	FI0009800346	886008	ORIB	15.10.99
20	**Raisio Yhtymä Oyj**	Stock Option/ Reduced Series	FI0009002943	899738	RAIV	15.10.99
21	**Sampo Insurance**	Stock Option/ Reduced Series	FI0009003305	881463	SAM	15.10.99
22	**Metso Corporation**	Stock Option/ Reduced Series	FI0009007835	923876	VLM	15.10.99
23	**Metsä-Serla Oyj B**	Stock Option/ Reduced Series	FI0009000665	876917	MESB	15.10.99
24	**Rautaruukki Oyj**	Stock Option/ Reduced Series	FI0009003552	888582	RTR	15.10.99
25	**Fortum Oyj**	Stock Option/ Reduced Series	FI0009007132	916660	FUM	15.10.99
26	**Tamro Oyj**	Stock Option/ Reduced Series	FI0009000855	899042	TAM	15.10.99
27	**Oyj Hartwall Abp A**	Stock Option/ Reduced Series	FI0009900070	899395	HART	15.10.99
28	**Huhtamäki Oyj I**	Stock Option/ Reduced Series	FI0009000459	870740	HUKI	15.10.99
29	**Finnair Oyi**	Stock Option/ Reduced Series	FI0009003230	891823	FAI	15.10.99
30	**Kemira Oyj**	Stock Option/ Reduced Series	FI0009004824	893079	KEM	15.10.99

Introduction of a Qualification Test for
Backoffice Employees ("Clearer Test")

As announced in the May Xpand, from October 1, 1999 a member's compliance of an orderly settlement of transactions pursuant to subsection 3.4 of the Eurex Exchange Rules, will require that at least one qualified backoffice staff member is on site and permanently available during exchange hours. Qualification of backoffice personnel is assumed if a Clearer Test conducted by the Eurex clearing house has been passed.

The decision to introduce a **Clearer Test** was taken after warnings from Eurex members of the decreasing **quality of backoffices** and the associated risks were made. The establishment of an **examination for backoffice staff**, analogue to the trader examination, was called for. Through the modified regulations, Eurex hopes to improve the standard of settlement activities and to support the qualification of **backoffice staff**.

Exchange participants already admitted to trading and Clearing Members will be granted a transitional period of one year, ending on October 1, 2000, to prove compliance with this prerequisite. Consequently, all currently admitted trading participants and Clearing Members must register at least one **qualified backoffice staff member** with Eurex by that time.

To register **qualified backoffice staff ("QBO")** test certificate(s) with a completed copy of a special form, with the user identification codes of the person(s) concerned, will need to be submitted to Eurex, Admission & Legal Affairs – Membership (please also refer to Eurex Circular 61/99).

Information on the dates for the **Clearer Test** can be found in the new training brochure or under:
www.eurexchange.com/marketplace/welcome.html

Information about contents and procedures as well as the required training material can be ordered from our Member Training:
T +49 (0)69-21 01-37 67

If you have any questions our Clearing Helpdesk will be pleased to assist you:
T +49 (0)69-21 01-12 50



Date: August 6, 1999

Training and Education Derivatives Market

Course		August	Places available	September	Places available
Traders Examination	Colloquium for	23.08.99 **C**	2	03.09.99 **H**	10
	Eurex Traders Examination	24.08.99 **C**	3	27.09.99 **C**	3
		27.08.99 **P**	2	28.09.99 **C**	3
		31.08.99 **L**	15		
	Eurex Traders Examination	Week of 30.08. **C**	3	06.09.99 **P**	2
				09.09.99 **L**	8
				10.09.99 **L**	5
				20.09.99 **H**	7
System Training	Eurex Functional	17.08.99 **L**	booked	13.09.99 **L**	1
	Member Training	18.08.99 **L**	3	22.09.99 **F**	9
		31.08.99 **P**	booked	28.09.99 **C/P**	1/1
				29.09.99 **C**	2
	System Training for	16.08.99 **C**	2	01.09.99 **P**	4
	Eurex Clearing	19.08.99 **L**	booked	14.09.99 **L**	booked
				23.09.99 **F**	6
				29.09.99 **P**	6
				30.09.99 **C**	3
	Refresher	17.08.99 **C**	4	09.09.99 **P**	5
	Clearing Workshop	25.08.99 **L**	6	16.09.99 **L**	6
	Clearer Test	18.08.99 **C**	5	10.09.99 **P**	5
				17.09.99 **L**	5
				21.09.99 **H**	5
	System Training for	20.08.99 **L**	6		
	Eurex Security				
Option Training	Product Training			13.–16.09.99 **L**	6

C Chicago **F** Frankfurt **H** Helsinki **L** London **N** New York **P** Paris

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+++ Suspension of Trading and Delisting of Three-month LIBOR Futures (FLI3) on Eurex +++ Simulation of Two Potential Money Market Products for Eurex Release 3.0 +++ Trading Calendar 2000/2001 available +++ CFTC reopens access to Eurex from the U.S. +++ Dates in September

Suspension of Trading and Delisting of Three-month LIBOR Futures (FLI3) on Eurex

The Three-month Euro-LIBOR Futures will be delisted with effect from September 14, 1999. Subject to the approval of the Eurex Exchange Council and the Eurex Administrative Board with effect from September 14, 1999, section 2.1.17 will be deleted from the Conditions for Trading at Eurex Deutschland and Eurex Zurich, the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zurich, and the Price List.
Furthermore, the board have decided to discontinue trading immediately in existing FLI3 series dated after the September 1999 expiration in which there is no open interest.

The basis for the decision is the development and acceptance of the EURIBOR, which has become the benchmark since the beginning of the year.
As a consequence trading volume has been concentrated in EURIBOR-based money market derivatives.

With the discontinuation of Three-month Euro-LIBOR Futures, the LIB3-FLI3 Roll-over facility (LIBR) introduced on December 17, 1998 will also be discontinued with immediate effect.

If you have any questions, please contact the following number:
Ms. Christine Heyde
T +49 (0)69-21 01-56 98

Simulation of Two Potential Money Market Products for Eurex Release 3.0

Two additional Money Market products which are not yet tradable on the Eurex system will have been set up on a test basis in the Eurex Release 3.0 simulation, which runs from July 12 until September 6, 1999. These are the:

- 3-Month Euroswiss Future
- 3-Month EONIA Future

Although the introduction date for the definitive start of trading on Eurex has not yet been agreed, there is a possibility that the products will be introduced during this year. We would therefore like to give you the opportunity to test them during the Release 3.0 simulation.
For the provisional contract specifications with the WKN and Eurex product codes please refer to Eurex Circular 63/99.

If you have any questions please contact the following numbers:
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Trading Calendar 2000/2001 available

The new Eurex Trading Calender for 2000 and 2001 is now available.
You may order a copy under the following number:
T +49 (0)69-21 01-15 10
Or visite our website:
www.eurexchange.com



CFTC reopens access to Eurex from the U.S.

On August 10, 1999 the Commodity Futures Trading Commission (CFTC) announced the granting of Eurex's application for "no-action" relief for the placement of further trading terminals in the U.S.

This means that Eurex will now be able to meet the demands of U.S. participants and admit potential members lined up for connection.

Moreover, Eurex has filed for approval of the Dow Jones STOXX 50℠ Future and the Dow Jones Euro STOXX 50℠ Future with the CFTC. Upon approval, futures on the Dow Jones STOXX℠ Indices, the European benchmark, will be available to U.S. investors for trading at Eurex.

For questions please contact the Chicago Office:
T +1-312-782-22 23

Dates in September

7. September
Equities Derivatives Conference
The Four Seasons Hotel, London, UK

9.–12. September
20th International SFOA Bürgenstock Meeting, Bürgenstock, Switzerland

12.–14. September
FIA Leadership Summit
Grand Hotel Dolder, Zürich, Switzerland

16.–17. September
FOW, 9th Exhibition & Conference
Singapore

Update

European Energy Exchange

As featured in the last issue of Xpand, Eurex will establish a European Energy Exchange, to be based in Frankfurt/Main. At a press conference in July, Otto E. Nägeli, Deputy CEO of Eurex, indicated that the start of trading at the new exchange – called EEX – is scheduled for the year 2000.

Following the initial launch of an **electricity futures exchange**, the plans provide for the swift subsequent establishment of an **energy spot market**. "We hope to be able to attract additional major players in this market", Mr. Nägeli and added that informal discussions with market participants in Austria, France, Italy and the Netherlands were already being held. There is potential to extend the product range to crude oil and gas products at a later stage.

According to the project manager, Mr. Hans Schweickardt, provided that there is sufficient liquidity, **typical market players** such as **large-scale energy users** and **electricity producers** might well be joined by speculators.
Mr. Nägeli explained: "By using the existing Eurex system for the Energy Exchange, we increase the utilization of capacity.
This reduces the level of fixed costs, allowing us to provide the trading platform for the new products at lower cost. On the other hand, using an established system lowers the threshold for existing Eurex members to enter into the energy market, which provides the new market with an existing membership structure.
After all, lowering the fixed costs will also provide benefits for trading in the current product range of financial derivatives."

The working group currently engaged in activities for the preparation of exchange operations comprises representatives from industrial companies, banks, trading houses, network operators, exchanges as well as public-sector utilities. Major players from the **energy sector** will be represented in the management company responsible for the implementation of the **Energy Exchange** and related simulation activities, whilst maintaining an appropriate number of owners. Shareholders from the energy sector and associated partners are envisaged to hold a 51 percent majority and seven seats on the Supervisory Board, while Eurex and its partners will hold the remaining 49 percent. According to current plans, the latter group is likely to hold two seats on the Supervisory Board.

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