uni plus special
Frankfurt/Main – Zurich

Futures on Dow Jones Euro STOXX℠ Banks Index and Dow Jones STOXX℠ 600 Banks Index available for trading from the US

By Massoud Mussavian, Goldman Sachs Equity Derivatives Research, and Rachna Mathur, Eurex

In April 2002, the CFTC issued a no-action letter to Eurex permitting the offer and sale of futures contracts based on the Dow Jones Euro STOXX℠ Banks Index and the Dow Jones STOXX℠ 600 Banks Index from Eurex terminals located in the US.

The approval has come at an opportune time, when a number of influences have lead to recent shifts in the pan-European investment landscape away from local index investing. Key among these influences has been the adoption of a common monetary policy, the introduction of the euro, harmonization of regulations in certain areas and some similarity in fiscal constraints among European countries.

With these products, US investors can now target trends in the banking sector, while at the same time take advantage of a cost-effective means to optimize their portfolios.

Underlying Indexes

The underlying Dow Jones Euro STOXX℠ Banks Index and the Dow Jones STOXX℠ 600 Banks Index are both broad-based, free-float capitalization weighted indexes.

The Dow Jones Euro STOXX℠ Banks Index consists of 46 bank equities that are included in the parent Dow Jones Euro STOXX℠ Index, which includes 310 of the largest stocks issued from the 12 member states of the European Monetary Union. With a free-float market capitalization of EUR 441 billion, the Dow Jones Euro STOXX℠ Banks Index represents the largest sector in the Dow Jones Euro STOXX℠ Index[1].

The Dow Jones STOXX℠ 600 Banks Index is comprised of 82 bank equities that are contained in the Dow Jones STOXX℠ 600 Index. The latter includes 600 of the largest equity issues in the pan-European region and has a free-float market capitalization of EUR 5,652 billion. The Dow Jones STOXX℠ 600 Banks Index has a free-float market capitalization of EUR 995 billion and also represents the largest sector in the parent Dow Jones STOXX℠ Index[2].

[1] and [2] Data as of March 2002 from the STOXX website www.stoxx.com

continued page 2

continued

Individual Components[3]

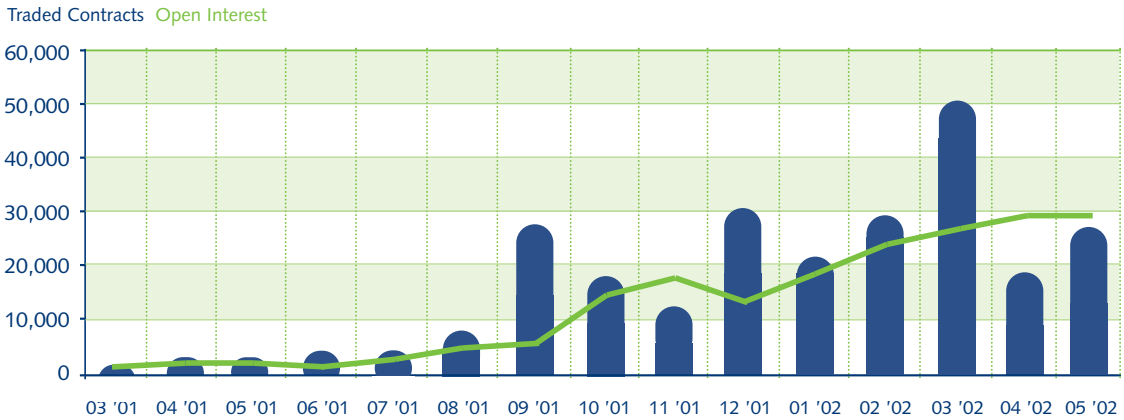
Dow Jones Euro STOXX[SM] Banks Index – 10 Top Components

Country	Company	Free Float Mkt Cap. (EUR billion)	Sector Weight	Cumulative Sector Weight
France	BNP	46,334	11.10%	11.10%
Spain	BCO Santander Central Hisp	43,016	10.30%	21.40%
Spain	BCO Bilbao Vizcaya Argentaria	42,633	10.21%	31.62%
Germany	Deutsche Bank R	42,204	10.11%	41.73%
France	SOC Generale A	28,004	6.71%	48.44%
Netherlands	ABN Amro	27,108	6.49%	54.93%
Italy	Unicredito Italiano	15,615	3.74%	58.67%
Germany	Bayerische Hypo- und Vereinsbank	12,811	3.07%	61.74%
Italy	San Paolo IMI	11,937	2.86%	64.60%
Belgium	Dexia	11,326	2.71%	67.31%

Dow Jones STOXX[SM] 600 Banks Index – 10 Top Components

Country	Company	Free Float Mkt Cap. (EUR billion)	Sector Weight	Cumulative Sector Weight
Great Britain	HSBC	117,644	12.56%	12.56%
Great Britain	Royal Bank of Scotland GRP	72,764	7.77%	20.33%
Switzerland	UBS R	68,336	7.30%	27.63%
Great Britain	Lloyds TSB GRP	61,676	6.59%	34.22%
Great Britain	Barclays	56,570	6.04%	40.26%
France	BNP	46,334	4.95%	45.21%
Spain	BCO Santander Central Hisp	43,016	4.59%	49.80%
Great Britain	HBOS	42,982	4.59%	54.39%
Spain	BCO Bilbao Vizcaya Argentaria	42,633	4.55%	58.94%
Germany	Deutsche Bank R	42,204	4.51%	63.45%

Volume and Open Interest Development



Responding to the market need for instruments that are ideally suited for targeted investments in a variety of economic sectors, Eurex launched futures based on the Dow Jones Euro STOXX[SM] Banks Index and the Dow Jones STOXX[SM] 600 Banks Index in March 2001.

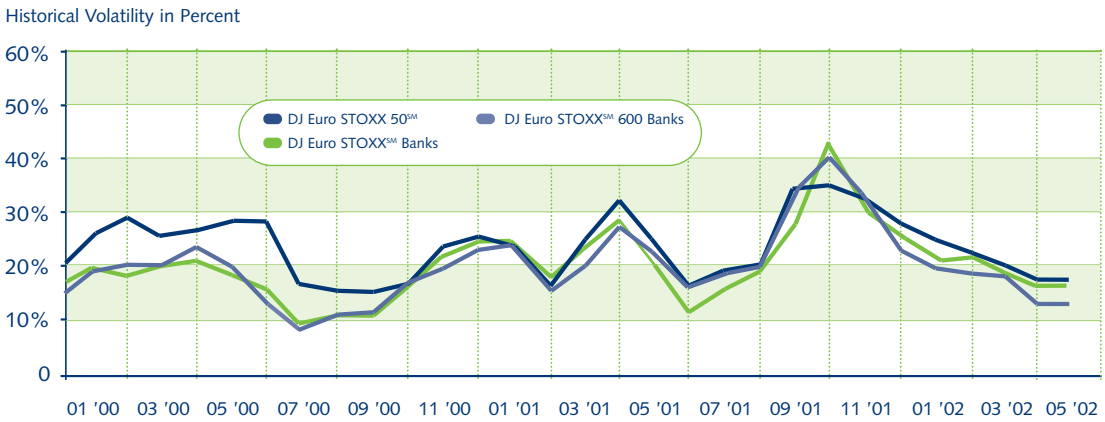
Volume in the Dow Jones Euro STOXX[SM] Banks Index Future has gained in momentum since August 2001. At the end of May 2002 average daily volume exceeded 1,400 traded contracts, with a

[3] Data as of March 2002 from the STOXX website www.stoxx.com

notional value of approximately EUR 20 million per day for 2002. Open Interest at the end of May 2002 was 19,596 contracts, with a value of EUR 282 million.

The Dow Jones STOXX℠ 600 Banks Index Future is also on the move. May 2002 monthly volume stood at 400 traded contracts, with a notional value of approximately EUR 7 million.

Volatility Development



As can be seen on the chart above, the Dow Jones Euro STOXX℠ Banks Index and the Dow Jones STOXX℠ 600 Banks Index typically exhibit lower volatility than the more diversified blue-chip Dow Jones Euro STOXX℠ 50 Index, primarily because banking stocks are more defensive than say technology stocks – which are also a significant component of the Dow Jones Euro STOXX℠ 50 Index.

Both products exhibit attractive bid-offer spreads of one index point throughout the majority of the trading day.

Contract Specifications

Products	Dow Jones Euro STOXX℠ Banks Index Future and Dow Jones STOXX℠ 600 Banks Index Future
Contract Standard	Dow Jones Euro STOXX℠ Banks Index and Dow Jones STOXX℠ 600 Banks Index
Contract Value	EUR 50 per index point
Settlement	Cash settlement based on the Final Settlement Price, payable on the first exchange trading day following the Last Trading Day
Price Determination	In points, with one decimal place
Minimum Price Change	0.1 of a point, equivalent to a value of EUR 5
Maturity Months	Three successive quarterly months within the March, June, September and December cycle
Last Trading Day	The third Friday of each maturity month. Trading in maturing futures contracts ceases at 12:00 noon CET on the Last Trading Day
Final Settlement Price	The average value of the Dow Jones Euro STOXX℠ Index and the Dow Jones STOXX℠ 600 Index values calculated between 11:50 a.m. and 12:00 noon CET on the Last Trading Day
Trading Hours	9:00 a.m. until 8:00 p.m. CET (2:00 a.m. until 1:00 p.m. CST)
Transaction Fees	EUR 0.30 per side

Note: CET: Central European Time; CST: US Central Standard Time

continued page 4

continued

Applications

Futures based on the Dow Jones Euro STOXX℠ Banks Index and the Dow Jones STOXX℠ 600 Banks Index open up a number of trading and risk management strategies for professional market participants. Some of these may include:

Managing Active Risk

Sometimes investors have views on specific equities that are different from their views on the sector. For example, a manager can have bullish views on a stock, but have a neutral or bearish view on the sector to which the stock belongs. Thus, the sector futures allow investors to neutralize (or even add to) sector bets in their stock calls. This is particularly important in market-making strategies where market neutrality can still imply substantial sector-specific bets.

Increasing/Decreasing Sector Exposure

Investors can use the Dow Jones Euro STOXX℠ Banks Index Future and the Dow Jones STOXX℠ 600 Banks Index Future to fine-tune their market exposure without changing the composition of their cash equity portfolios. This includes sector diversification strategies and filling international sector exposure gaps when compared to the benchmark. These sector overlay strategies offer both a means of adding value to the core portfolios and achieving adequate investment diversification.

Arbitrage

The Dow Jones Euro STOXX℠ Banks Index Future and the Dow Jones STOXX℠ 600 Banks Index Future can be used in cash-and-carry arbitrage strategies to exploit price imbalances between the cash and futures markets. Investors can also tap relative imbalances within individual Eurex listed STOXX derivatives products, for example, by means of time spreads.

Spread Trading

The Dow Jones Euro STOXX℠ Banks Index Future and the Dow Jones STOXX℠ 600 Banks Index Future allow investors to implement trading strategies that take into account the varying performances of individual Eurex listed STOXX derivatives products relative to their performance. Furthermore, spread positions can be adopted vis-à-vis similar sector futures in the US.

The approval of the Dow Jones Euro STOXX℠ Banks Index Futures and the Dow Jones STOXX℠ 600 Banks Index Futures offers new trading opportunities for US investors at a time when sector investing has become essential and represents a significant enhancement towards sector specific European index products.

For specifics on the full range of listed Eurex contracts on the Dow Jones STOXX℠ indexes, including contract specifications, please refer to the Eurex website **www.eurexchange.com/marketplace/products_specifications_en.html**. For more details on the composition of the underlying indexes, please refer to the STOXX website at **www.stoxx.com**.

For more information, please contact Rachna Mathur, T +1 312-408-45 04,
e-mail: Rachna.Mathur@eurexchange.com.

eurex

www.eurexchange.com

Published by:
Eurex Communications

© Eurex, August 2002

Order number:
E8E-002-0802

Eurex Frankfurt AG
Neue Börsenstraße 1
60487 Frankfurt/M., Germany

Eurex Zürich AG
Selnaustrasse 30
8021 Zürich, Switzerland

To order further copies of this brochure:
T +49 (0)69-21 01-15 10
F +49 (0)69-21 01-15 11

T +41 (0)1-229 29 89
F +41 (0)1-229 29 90

Eurex®, DAX®, MDAX®, SMI® are registered trademarks. STOXX® is a registered trademark of STOXX Limited. HEX25™ is a trademark of Helsinki Securities and Derivatives Exchange Clearing House Ltd.