X-pand into the Future

e u r e x *circular 098/03*

Date: Frankfurt, September 16, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **Action Required** ⚠ **High Priority**

Modifications to the Market Maker Obligations for Options on the DAX® Index and on the DJ EURO STOXX 50℠ Index

Related Eurex Circulars: 036/03, 084/03

Contact: Daniel Koller (Product Design Equity/Index): Tel. +49-69-211-1 32 24
E-Mail: Daniel.Koller@eurexchange.com

Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments:

1. Market Maker Obligations

The Management Boards of Eurex Deutschland and Eurex Zürich decided in their meeting on August 27, 2003 to change the minimum quote size for quotations on request for options on the DAX Index and on the DJ EURO STOXX 50 Index. In view of the increased trading activity in these products and to further enhance liquidity in the order book, the following minimum quote sizes will be applicable with effect from October 1, 2003:

Options on the DAX Index: 100 contracts instead of the current 20 contracts.

Options on the DJ EURO STOXX 50 Index: 100 contracts instead of the current 20 contracts.

The maximum spreads will remain unchanged.

Eurex Deutschland
D-60485 Frankfurt am Main
www.eurexchange.com

Eurex Customer Support
Tel. +49-69-211-1 17 00
Fax +49-69-211-1 17 01

Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

Market Maker Obligations
Minimum Quote Sizes and Maximum Spreads for Index Options

1. Quotation on Request on Index Options

Minimum Quote Sizes:

Products	Min. Size (Contracts)
ODAX, OESX	**100**
OSTX, OFOX	20
ON50	50
OSMI	20
OGTI, OESA, OESB, OESC, OESE, OESF, OESG, OESH, OESI, OESM, OESN, OESO, OESR, OESS; OEST,OESY, OESU, OESV, OESZ, OSTB, OSTH, OSTI, OSTY, OSTT, OSTU, OTDX	10
OGBL, OGBM, OGBS	25

Maximum Spreads:

Products	Bid Up to	Spread
OESA, OESB, OESC, OESE, OESF, OESG, OESH, OESI, OESM, OESN, OESO, OESR, OESS; OEST,OESY, OESU, OESV, OESZ, OSTB, OSTH, OSTI, OSTY, OSTT, OSTU, OTDX	5.3	0.8
	53.3	15%
	999.8	8.0
OSTX	13.3	2.0
ODAX, OESX – (Maturity Months 1, 2, 3, 6, 9, 12, 18, 24)	133.3	15%
	9999.8	20.0
ODAX, OESX – (Maturity Months 30, 36, 48, 60)	13.3	4.0
	133.3	30%
	9999.8	40.0
OESX (Maturity Months 72, 84, 96)	13.3	5.0
	133.3	38%
	9999.8	50.0
ON50	24.9	5.0
	249.9	20 %
	9999.8	50.0
OFOX	5.0	1.0
	100	20%
	9999.8	20
OSMI – (Maturity Months 1, 2, 3, 6, 9, 12, 18, 24)	26.06	4.0
	266.6	15%
	9999.8	40.0%
OSMI – (Maturity Months 30, 36, 48, 60)	26.6	8.0%
	266.6	30%
	9999.8	80.0%
OGTI	2.5	0.5
	25	20%
	999.8	5.0
OGBL, OGBM, OGBS	0.09	4
	0.29	6
	1.00	8
	999.98	10

Valid from October 1, 2003

Response to quote requests:	At least 50% of all Quote Requests have to be answered (up to a max. of 150 quote requests per day averaged over a month): - within 1 minute - with a minimum holding time of 10 seconds.
Market Maker Fees:	See Price List.
Fast Market:	In the Fast Market state, the maximum spreads will increase by 100% and the minimum quote size of index options will be reduced by 50% (for OGBL, OGBM and OGBS the minimum quote size will be 5 contracts).

2. Permanent Quotation on SMI Index Options (OSMI)

Committed Quotation Time:	6 hours 40 minutes of the daily trading period between 8:25 a.m. and 5:20 p.m. on exchange trading days per calendar month for six of the first seven expirations. Calls and puts for four strikes from a strike price window of seven strikes around the current underlying price must be quoted. Asymmetrical quoting is allowed, i.e. strike prices chosen for calls and puts need not be identical.
Exemption from Obligation:	Three trading days per month; the shortfall must be compensated for from additional coverage on the remaining trading days of the month so that an average coverage of **6 hrs 40 min**. of the trading period is achieved over the month.
Minimum Quote Sizes and Maximum Spreads:	20 contracts (Fast Market: 10 contracts).
Market Maker Fees:	See Circular 115/02.
Fast Market State:	In the Fast Market state, the maximum spreads will increase by 100% and the minimum quote size will be reduced by 50%.