X-pand into the Future

e u r e x *circular 095/03*

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Recipients: All Eurex members
Authorized by: Daniel Gisler

Eurex Clearing Lowers Fees for Equities Clearing

Contact: Functional Helpdesk CCP: Tel.: +49-69-211-1 19 40, Fax: +49-69-211-1 19 41

Content may be most important for:

➲ All departments

Attachment:

Overview of changes in net processing transaction fees

As of January 1, 2004, Eurex Clearing is reducing the clearing and settlement fees for equities transactions in Xetra and on the floor of the Frankfurt Stock Exchange (FWB Frankfurter Wertpapierbörse) by as much as eight percent. The fee reduction is valid for all transactions that run through the central counterparty (CCP) and are settled after netting. Eurex Clearing is the cheapest provider compared with the European competitors and is further expanding its price leadership with this step.

"We are passing efficiency gains on to our customers and thus supporting growth in the industry as a whole. We want to attract groups of participants and trading strategies that are futures-typical, and thus further enhance turnover and market quality", said Rudolf Ferscha, member of the Executive Board of Deutsche Börse and Eurex CEO.

The new fee structure is based on a six-step price scale ranging between EUR 0.55 and EUR 0.45 per transaction; up to now, there were four steps ranging between EUR 0.58 and EUR 0.49. The price reduction is made possible by the high acceptance for the central counterparty in equities trading, which allows positions to be netted for the most part. Less than five percent of all transactions actually need to be settled after netting – the so-called netting efficiency amounts to 95.5 percent. The CCP also allows participants to achieve substantial savings due to the improved quality of settlement and the lower number of so-called failed trades.

The central counterparty for equities trading in Xetra and on the Frankfurt trading floor was introduced at the end of March 2003. Since that time, the liquidity on Xetra, measured in terms of the Xetra Liquidity Measure (XLM), has risen 27 percent across the board in the market as a whole. This results in lower trading costs for the participants by some EUR 20 million per month. The risk reduction achieved through the central counterparty as well as the so-called post-trade anonymity attract new futures-typical participant groups and trading strategies. For example, larger orders which would have been traded off the exchange in the past can now be executed anonymously in several trades through the exchange's order book and thus contribute to enhancing market liquidity just as much as the growing number of short-term and intra-day strategies by international arbitrageurs.

The updated Eurex Clearing Price List will be published on October 1, 2003.

Bitte beachten: neue Telekommunikationsnummern
Please note our new telecommunication numbers

Overview of Changes in Net Processing Transaction Fees

Transaction Fees Net Processing - till December 31, 2003 -	
Number of Transactions per Settlement Netting Unit per Day:	Fee per Transaction
from 1 up to 1000	EUR 0.58
from 1001 up to 2500	EUR 0.55
from 2501 up to 5000	EUR 0.52
more than 5000	EUR 0.49

Transaction Fees Net Processing - from January 1, 2004 -	
Number of Transactions per Settlement Netting Unit per Day:	Fee per Transaction
from 1 up to 1000	EUR 0.55
from 1001 up to 2500	EUR 0.53
from 2501 up to 5000	EUR 0.51
from 5001 up to 10000	EUR 0.49
from 10001 up to 20000	EUR 0.47
more than 20000	EUR 0.45