X-pand into the Future

# e u r e x *circular 090/02*

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**Recipients:** All Eurex members and vendors
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## Adjustment to Minimum Price Gradations for Swiss Index Options and Stock Options

**Related Eurex Circulars:** 063/02

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**Content may be most important for:**

- ➲ Front Office / Trading
- ➲ Middle + Back Office

**Attachments:**

1. Contract Specifications – Swiss Stock Options
2. Contract Specifications – Swiss LEPOs

With effect from **October 14, 2002**, the Management Boards of Eurex Deutschland and Eurex Zürich have taken the decision to make the minimum price gradation for all Swiss Stock options and the Swiss Index options independent of the price of the option. The minimum price gradations have been defined as follows:

| Products | Minimum Price Gradation |
|---|---|
| OSMI (Option on Swiss Market Index) | 0.10 Index points |
| Swiss Stock Options | CHF 0.01 |

The updated contract specifications for Swiss Stock Options and LEPOs are provided as Attachments 1 and 2.

# *Contract Specifications for:*
# Stock Options on Swiss Shares (OSTK)

**Contract Size**

Generally, an options contract gives the buyer of a call the right to buy - or, in the case of a put, the right to sell - 100 shares of the underlying security, except for options on the shares below.

Options on Ciba Spezialitätenchemie, Givaudan, Holcim, Julius Bär, Nestlé, Rentenanstalt/Swiss Life, Schweizer Rückversicherung, Serono, Sulzer, Swisscom, Syngenta, Unaxis and Zurich Financial Services have a contract size of 10 shares.

**Minimum Price Movement**

The minimum price change for options is CHF 0.01.

**Settlement**

Physical delivery of 100 shares or 10 shares, respectively, of the underlying instrument.

**Settlement Day**

Three exchange trading days after exercise.

**Last Trading Day**

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

**Daily Settlement Price**

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, Eurex will establish the official settlement price.

**Exercise Period**

American style, i.e. an option can be exercised until 7:00 p.m. CET on any exchange trading day during the lifetime of the option.

**Expiration Months**

Options are available with terms up to and including:

**Group A shares**: the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter (i.e. up to a maximum lifetime of 12 months).

**Group B shares**: the three nearest calendar months, as well as the three following months within the March, June, September and December cycle thereafter, and the two following months of the June and December cycle thereafter (i.e. up to a maximum lifetime of 24 months).

**Exercise Prices**

Options series may have the following exercise prices:

| Exercise Prices in CHF | Exercise Price Intervals in CHF |
|---|---|
| 0 - 5 | 0.20 |
| 5.50 - 10 | 0.50 |
| 11 - 20 | 1 |
| 22 - 50 | 2 |
| *52.50 - 100** | *2.50* |
| 55 - 200 | 5 |
| *210 - 400** | *10* |
| 220 - 400 | 20 |
| *425 - 1.000** | *25* |
| 450 - 1.000 | 50 |
| *1.050 - 2.000** | *50* |
| 1.100 - 2.000 | 100 |
| *2.100 - 5.000** | *100* |
| 2.200 - 5.000 | 200 |
| *above 5.000** | *200* |
| above 5.000 | 400 |

*only for at-the-money options for the nearest 6 calendar months

For each expiration month, there are at least three call and three put series, providing an in-the-money, at-the-money and out-of-the-money exercise price.

**Underlying Instruments**

Eurex equity options on Swiss shares are traded in the following groups according to their expiration months:

| Group A<br>1, 2, 3, 6, 9 and 12 months | Group B<br>1, 2, 3, 6, 9, 12, 18 and 24 months | Group C<br>1, 2, 3, 6, 9, 12, 18, 24, 30, 36, 48 and 60 months |
|---|---|---|
| Adecco N (ADEN) | ABB N (ABB2) | None |
| Givaudan (GIVN) | Ciba Spezialitätenchemie Holding N (CIBN) | |
| Holcim (HOL) | Clariant N (CLN) | |
| Julius Bär (BAER) | Credit Suisse Group N (CSGN) | |
| Kudelski (KUD) | Lonza Group (LONN) | |
| Rentenanstalt/Swiss Life N (RAN) | Nestlé N (NESN) | |
| Richemont (CFR) | Novartis N (NOVN) | |
| Serono (SEO) | Roche Holding GS (ROG) | |
| Sulzer N (SUN) | Schweizer Rückversicherung N (RUKN) | |
| Syngenta (SYNN) | Swisscom (SCMN) | |
| The Swatch Group N (UHRN) | UBS (UBSN) | |
| Unaxis (UNAX) | Zurich Financial Services N (ZURN) | |

**Option Premium**

Payable in full on the exchange trading day immediately following the buy date.

**Trading Hours**

9:00 a.m. until 5:20 p.m. CET.

# *Contract Specifications for:*
Low Exercise Price Options (LEPOs) on **Swiss Shares** *(OSTK)*

**Underlying Swiss Shares with LEPO contracts**

| | |
|---|---|
| ABB N (ABB2) | Rentenanstalt/Swiss Life N (RAN) |
| Adecco N (ADEN) | Richemont (CFR) |
| Ciba Spezialitätenchemie Holding N (CIBN) | Roche Holding (ROG) |
| Clariant N (CLN) | Schweizer Rückversicherung N (RUKN) |
| Credit Suisse Group N (CSGN) | Serono (SEO) |
| Givaudan (GIVN) | Sulzer N (SUN) |
| Holcim (HOL) | Swisscom (SCMN) |
| Julius Bär (BAER) | Syngenta (SYNN) |
| Kudelski (KUD) | The Swatch Group N (UHRN) |
| Lonza Group AG (LONN) | UBS AG N (UBSN) |
| Nestle N (NESN) | Unaxis (UNAX) |
| Novartis N (NOVN) | Zurich Financial Services (ZURN) |

**Contract Size**

Each contract is generally based on 100 shares of the underlying instrument, except for options on the shares below:

Options on Ciba Spezialitätenchemie, Givaudan, Holcim, Julius Bär, Nestlé, Rentenanstalt/Swiss Life, Schweizer Rückversicherung, Serono, Sulzer, Swisscom, Syngenta, Unaxis and Zurich Financial Services have a contract size of 10 shares.

**Minimum Price Movement**

The minimum price change for options is CHF 0.01.

**Delivery**

Physical delivery of 100 shares or 10 shares, respectively, of the underlying instrument.

**Delivery Day**

Three exchange trading days after exercise.

**Last Trading Day**

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

**Daily Settlement Price**

CHF 1 below the last-paid price of the underlying security on any given trading day.

**Exercise Period**

American style, i.e. an option can be exercised until 7:00 p.m. CET on any exchange trading day during the lifetime of the option.

**Expiration Months**

The two nearest months within the cycle March, June, September, December

**Exercise Prices**

All LEPO contracts have an exercise price of CHF 1.

**Option Premium**

Payable in full on the exchange trading day immediately following the buy date.

**Trading Hours**

9:00 a.m. until 5:20 p.m. CET.