X-pand into the Future

e u r e x *circular 085/02*

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Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

High Priority

Introduction of Additional Sector Derivatives on Dow Jones (EURO) STOXX^{SM} Sector Indices – Further Information

Related Eurex Circulars: 081/02

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Content may be most important for:

➲ All Departments

Attachments:

1. Modifications to the Conditions for Trading at Eurex Deutschland and Eurex Zürich
2. Modifications to the Clearing Conditions of Eurex Clearing AG

Summary:

As already announced in Circular 081/02, Eurex will introduce further Dow Jones (EURO) STOXX^{SM} Sector Index products on September 23, 2002.

This circular contains additional details related to the trading of the new products under the headings:

1. Products and Underlying Indexes
2. Trading Conditions, Clearing Conditions and Price List
3. Margin Parameters
4. Market Order Matching Range
5. Mistrade Parameters
6. Vendor Codes
7. Preparation for Start of Trading

Introduction of Additional Sector Derivatives on Dow Jones (EURO) STOXX^{SM} Market Sector Indices – Further Information

As already announced in Circular 081/02, at their meeting on 13 August, 2002 the Eurex Management Boards made the decision to introduce additional derivatives products based on the Dow Jones (EURO) STOXX^{SM} Market Sector Indexes.
You will find below additional information to that provided with Circular 081/02 in relation to the start of trading in the new products.

1. Products, and Underlying Indexes

The planned introduction date for the new products is **Monday, September 23, 2002**. On that date maturities of December, 2002, March, 2003 and June, 2003 will be available for the Sector Index Futures, and expirations of October, November, December, 2002 , March, June, September, December, 2003, and June, 2004 will be available for the Sector Index Options.

Eurex Sector Index Products			Underlying Index	
	Code	ISIN	Code	ISIN
DJ Euro STOXX^{SM} Financial Services Future	FESF	DE0007200743	SXFE	EU0009658467
DJ Euro STOXX^{SM} Media Future	FESM	DE0007200735	SXME	EU0009658269
DJ Euro STOXX^{SM} Utilities Future	FESU	DE0007200727	SX6E	EU0009658582
DJ Euro STOXX^{SM} Financial Services Option	OESF	DE0007200719	SXFE	EU0009658467
DJ Euro STOXX^{SM} Media Option	OESM	DE0007200693	SXME	EU0009658269
DJ Euro STOXX^{SM} Utilities Option	OESU	DE0007200685	SX6E	EU0009658582
DJ STOXX^{SM} 600 Banks Option	OSTB	DE0007200750	SX7P	EU0009658806
DJ STOXX^{SM} 600 Technology Option	OSTY	DE0007200776	SX8P	EU0009658921
DJ STOXX^{SM} 600 Telecommunications Option	OSTT	DE0007200768	SXKP	EU0009658947

2. Trading and Clearing Conditions

The corresponding modifications to the regulations in the Eurex Trading Conditions and Clearing Conditions can be found in Attachments 1 and 2.

3. Margin Parameters

Margin Class	Products in this Class	Parameters
ESF	FESF/OESF	18 Points (EUR 900.00) EUR 120.00 Back and Spot Month
ESM	FESM/OESM	21 Points (EUR 1,050.00) EUR 140.00 Back and Spot Month
ESU	FESU/OESU	20 Points (1,000.00 EUR) EUR 130.00 Back and Spot Month
STB	FSTB/OSTB	25 Points (EUR 1,250.00) EUR 120.00 Back and Spot Month
STT	FSTT/OSTT	45 Points (EUR 2,250.00) EUR 400.00 Back and Spot Month
STY	FSTY/OSTY	70 Points (EUR 3,500.00) EUR 400.00 Back and Spot Month

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Daniel Gisler, Thomas Lenz,
Michael Widmer

4. Market Order Matching Range

The Market Order Matching Range for all Dow Jones EURO STOXX[SM] Sector Index Futures will be set at 2.0 Points, corresponding to 20 Ticks or EUR 100.00.

5. Mistrade Parameters

For all options contracts on Dow Jones (EURO) STOXX[SM] Sector Indexes, a significant deviation from the reference price is to be assumed when the trade price deviates by more than the applicable Maximum Spread value with respect to the reference price. (Section 1.1.2 of the Mistrade Regulations).

In accordance with sub-section 1.5.2 of the Mistrade Regulations, a significant deviation from the reference price for the Dow Jones EURO STOXX[SM] Sector Index Futures will be set at 20% of the Additional Margin, the same as for all other futures traded at Eurex.

6. Vendor Codes.

A full list will be published before start of trading on our web-site under “www.eurexchange.com > market place > products > vendor codes“.

7. Preparation for Start of Trading

- On September 19, 2002 the new Dow Jones (EURO) STOXX[SM] Sector Index products as well as the associated margin classes will be set up in the Eurex system. Corresponding back-office transactions will be transmitted electronically.
- On September 20, 2002 after close of trading, settlement prices for all tradable contract months of the new Dow Jones (EURO) STOXX[SM] Sector Index products will be transmitted. In addition, transactions for the PMI file will be generated. Within the daily transmission of theoretical prices after 20:30 CET, theoretical prices for the new Dow Jones (EURO) STOXX[SM] Sector Index products will also be transmitted. These should be ignored.
- Trading in the new Dow Jones (EURO) STOXX[SM] Sector Index products will start on Monday September 23, 2002. Orders and quotes may be entered into the Eurex system from 07:30 CET onwards.

Frankfurt, September 19, 2002

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Conditions for Trading at Eurex Deutschland and Eurex Zürich

2 Part: Contract Specifications

2.1 Subpart: Contract Specifications for Futures Contracts

2.1.6 Sub-Subpart: Specifications for Futures Contracts on Dow Jones EURO STOXX Sector Indices (EURO STOXX Sector Index Futures)

2.1.6.1 Subject Matter of Contract

(1) A EURO STOXX Sector Index Future is a futures contract on a Dow Jones EURO STOXX Sector Index (Price Index). The EURO STOXX Sector Index Futures are based on the Dow Jones EURO STOXX Banks Index, Dow Jones EURO STOXX Technology Index, Dow Jones EURO STOXX Telecommunications Index, Dow Jones EURO STOXX Healthcare Index, Dow Jones EURO STOXX Automobile Index, Dow Jones EURO STOXX Energy Index, Dow Jones EURO STOXX Insurance Index, Dow Jones EURO STOXX Media Index, Dow Jones EURO STOXX Utilities Index and Dow Jones EURO STOXX Financial Services Index. The publications of STOXX Limited shall determine the composition, weighting and calculation of the Dow Jones EURO STOXX Sector Indices. The value of a contract shall be 50 EUR per index point.

(2) ……..

2.2 Subpart: Contract Specifications for Options Contracts

…….

2.2.28 Sub-Subpart: Specifications for Options Contracts on the Dow Jones EURO STOXX Sector Indices (EURO STOXX Sector Index Options)

2.2.28.1 Subject Matter of Contract

(1) The option contract relates to a Dow Jones EURO STOXX Sector Index (Price Index). The EURO STOXX Sector Index Options are based on the Dow Jones EURO STOXX Banks Index, Dow Jones EURO STOXX Technology Index, Dow Jones EURO STOXX Telecommunications Index, Dow Jones EURO STOXX Healthcare Index, Dow Jones EURO STOXX Automobile Index, Dow Jones EURO STOXX Energy Index, Dow Jones EURO STOXX Insurance Index, Dow Jones EURO STOXX Media Index, Dow Jones EURO STOXX Utilities Index and Dow Jones EURO STOXX Financial Services Index. The publications of STOXX Limited

shall determine the composition, weighting and calculation of the Dow Jones EURO STOXX Sector Indices. The value of an option contract shall be 50 EUR per index point.

(2) ……

2.2.29 Sub-Subpart: Specifications for Options Contracts on the Dow Jones STOXX 600 Sector Indices (STOXX 600 Sector Index Options)

2.2.29.1 Subject Matter of Contract

(1) The option contract relates to a Dow Jones STOXX 600 Sector Index (Price Index). The Dow Jones EURO STOXX 600 Sector Index Options are based on the Dow Jones EURO STOXX 600 Banks Index, Dow Jones EURO STOXX 600 Technology Index, Dow Jones EURO STOXX 600 Telecommunications Index and the Dow Jones EURO STOXX 600 Healthcare Index. The publications of STOXX Limited shall determine the composition, weighting and calculation of the Dow Jones STOXX 600 Sector Indices. The value of an option contract shall be 50 EUR per index point.

(2) If any changes are made in the calculation of the Dow Jones STOXX 600 Sector Indices or their composition and weighting such that the concept of the Dow Jones STOXX 600 Sector Indices appear to be no longer comparable with the concept that applied when the option was admitted to trading, the Boards of Management of the Eurex Exchanges may order the termination of trading in such option as of the last trading day prior to the change in the Dow Jones STOXX 600 Sector Indices at 12:00 CET. Open positions shall be settled in cash upon the close of trading. The final value of the Dow Jones STOXX 600 Sector Indices, calculated on the basis of the average of the respective calculation of the Dow Jones STOXX 600 Sector Indices on such day from 11:50 a.m. CET to 12:00 CET, shall be used.

New contracts shall be introduced in accordance with subsection 2.2.29.6

2.2.29.2 Call Option (Call)

(1) …

(2) …

(3) The final settlement price shall be determined by Eurex Clearing AG on the final settlement day of the contract on the basis of the average of calculations of the respective Dow Jones STOXX 600 Sector Indices determined on such day from 11:50 a.m. CET to 12:00 CET.

(…)

2.2.29.6 Exercise prices

(1) …

(2) …

Conditions for Trading at Eurex Deutschland and Eurex Zürich

(3) Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the last determination of the respective Dow Jones STOXX 600 Sector Indices on the Frankfurt Stock Exchange at the close of trading of the respective Dow Jones STOXX 600 Sector Index Options on the Eurex Exchanges on the two preceding Exchange days has exceeded or fallen below the average of the third- and second-highest or the third- and second-lowest then-existing exercise prices, as the case may be. In the event that the respective Dow Jones STOXX 600 Sector Indices are not available at the close of trading of the respective Dow Jones STOXX 600 Sector Index Options on the Eurex Exchanges, the respective reference price shall be determined by the Eurex Exchanges. A new option series shall generally not be introduced if it would expire in fewer than five Exchange days, unless market conditions make such introduction necessary.

(…)

Clearing Conditions for Eurex Clearing AG

2 Part
Settlement of Transactions at Eurex Deutschland and Eurex Zürich

2.1 Subpart
Settlement of Futures Contracts

2.1.6 Sub-Subpart

Settlement of Futures Contracts on Dow Jones EURO STOXX® Sector Indices (EURO STOXX® Sector Index Futures)

2.1.6.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all payments arising out of the settlement of EURO STOXX® Sector Index Futures contracts, which are based on the following indices:

- Dow Jones EURO STOXX Banks Index
- Dow Jones EURO STOXX Technology Index
- Dow Jones EURO STOXX Telecommunications Index
- Dow Jones EURO STOXX Healthcare Index
- Dow Jones EURO STOXX Automobile Index
- Dow Jones EURO STOXX Energy Index
- Dow Jones EURO STOXX Insurance Index
- Dow Jones EURO STOXX Media Index
- Dow Jones EURO STOXX Financial Services Index
- Dow Jones EURO STOXX Utilities Index

(……..)