e u r e x *circular 85/98*

To: All Eurex members and vendors

Date: Frankfurt, 18th December 1998

1. **New Market Making Maximum Quote Spreads for Options Contracts on German Stocks and the DAX from 4th January 1999.**
2. **Modification of the Implementation Regulations on the Treatment of Erroneous Entries from 4th January 1999.**

Dear Sir or Madam,

Associated with the introduction of the euro it is necessary to adjust the maximum quote spread parameters for market making, which are based partly on DM values. On the recommendation of the Trading Working Group for stock and index products, the executive board of Eurex has decided to establish new maximum spreads for options on German stocks, and options on the DAX. The current regulations, as well as the ones valid from 4th January 1999, are shown in the table attached as Annex 1.

The Implementation Regulations for the Handling of Erroneous Entries (Fehleingaben) also contains some references to DM values. Based on the modified maximum spreads, corresponding changes to the regulations will come into effect from 4th January 1999. The modified version of the implementation regulations will be forwarded in a separate circular next week.

For questions, please contact the appropriate help-desk on the numbers below.

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Yours sincerely,

Otto E. Nägeli

Hartmut Klein

Attachment

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Maximum Quote Spreads in Options Contracts on German Stocks and the DAX from 04.01.1999

	Current Regulation		**Regulation from 04.01.99**	
Options on Shares with a par value of 50 DM*	**Bid up to**	**Spread**	**Bid up to**	**Spread**
	13,30	2,00 DM	13,30	2,00 **EUR**
KAR, LIN, MAN	66,60	15%	66,60	15%
BMW, PRS, THY, VIA	9999,90	10,00 DM	9999,90	10,00 **EUR**
Options on Shares with a par value of 5 DM**	**Bid up to**	**Spread**	**Bid up to**	**Spread**
DGS, HEN3, MEO, BAY, BAS,	1,33	0,20 DM	1,33	0,20 **EUR**
CBK, DAI, DBK, DCX, DRB,	6,66	15%	6,66	15%
DTE, HOE, HVM, LHA, MMN,	999,90	1,00 DM	999,90	1,00 **EUR**
RWE, SIE, VEB, VOW				
Exceptions	**Bid up to**	**Spread**	**Bid up to**	**Spread**
ADS, ALV, MUV2, SAP3, SCH	10,00	1,00 DM***	10,00	1,00 **EUR**
	20,00	2,00 DM	20,00	2,00 **EUR**
	30,00	3,00 DM	30,00	3,00 **EUR**
	50,00	4,50 DM	50,00	4,50 **EUR**
	999,90	10%	999,90	10%

* from 04.01.99 a nominal value or book value of 50 DM or the corresponding amount in EUR
** from 04.01.99 a nominal value or book value of 5 DM or the corresponding amount in EUR

*** 2,00 DM in the last 5 trading days before expiry.

	Current Regulation		**Regulation from 04.01.99**	
ODAX	**Bid up to**	**Spread**	**Bid up to**	**Spread**
	6,60	1 Point*	13,30	2 Points
	66,60	15%	133,30	15%
	9999,90	10 Points	9999,90	20 Points

* 2 Points in the last 5 trading days before expiry.

Annex 1
18.12.98