EUREX Architects of trusted markets

VSTOXX® Derivatives

VSTOXX® IS THE EUROPEAN VOLATILITY BENCHMARK.

As investors have realized there is no global proxy for risk management, they look for more precise ways to manage European-specific risk. Using the real-time prices of the EURO STOXX 50® options to measure the 30-day implied volatility, the VSTOXX® Index is designed to reflect the investor sentiment and overall economic uncertainty in Europe.

Evolution of the VSTOXX® market segment and product portfolio

What are the key benefits?

Transparency
In compliance with the ESMA requirements, the components weightings of the VSTOXX® index are publicly available on www.stoxx.com.

Liquidity
A path to liquidity: increased order book liquidity and tighten spreads over last decade. Macro events gradually increased base OI.

Best Execution
Eurex T7 Entry Services enable Trading Participants to enter order information for off-book transactions to the Eurex system. With these services clients can benefit from the advantages offered by listed derivatives for bilaterally agreed trades, as well as the advantages of standardized clearing and settlement through Eurex Clearing.

Hedging opportunities for traditional asset managers

The EURO STOXX 50® Volatility Index (VSTOXX®) measures the implied variance across all options of a given time to expiry. The VSTOXX® Index features a negative correlation to the EURO STOXX 50® Index on a long term basis. Because of this correlation, the VSTOXX® tends to move to the upside when all other asset classes are in decline. Therefore the VSTOXX® has proven to be a relevant hedge in times of global crisis like the 2008 financial crisis or EU-specific crisis like the Brexit in 2016, or the global Covid-19 pandemic in 2020. VSTOXX® can improve the efficient frontier and offer a cost efficient way to implement a tail risk hedge.

Trading opportunities for the relative value and spread trader

With the growth of Market Makers in both the futures and options and new more robust Market Making programs, the VSTOXX® Futures and Options orderbook has improved across the entire term structure. Volume and open interest is spread out across all eight expiries. As a result, participation from relative value and spread traders looking for asset classes with term structure has increased.

Contract specifications

	VSTOXX® Derivatives	
Product name	**VSTOXX® Futures**	**Options on VSTOXX® Futures**
Underlying	The VSTOXX® Index, a market estimate of expected volatility that is calculated every 5 seconds by using real-time EURO STOXX 50® option bid/ask quotes	VSTOXX® Futures
Contract value	EUR 100 per volatility index point	
Price quotation and minimum price change	In points with two decimal places The minimum price change is 0.05 points (equivalent to a value of EUR 5).	
Contract months	The next eight successive calendar months	
Exercise	–	American-style; an option can be exercised until the end of the Post-Trading Full Period (20:30 CET) on any exchange day during the lifetime of the option.
Exercise price intervals	–	All option series have exercise prices with price gradations in the amount of not less than one point.
Settlement	Cash settlement, payable on the first exchange day following the final settlement day.	Physical delivery of the underlying. The underlying is maturing on the same exchange day and is settled in cash.
Daily settlement price	Determined during the closing auction of the respective futures contract	Established by Eurex, determined through a binomial pricing model
Last trading day and final settlement day	30 calendar days prior to the third Friday of the expiration month of the underlying options. This is usually the Wednesday prior to the second last Friday of the respective expiration/maturity month.	
Final settlement price	Average of the VSTOXX® values on the last trading day between 11:30 and 12:00 CET.	
Block trade size	1,000 contracts	1,000 contracts
Vendor codes	Bloomberg: FVSA INDEX Reuters: 0#FVS:	Bloomberg: FVSA INDEX OMON Reuters: 0#FVS2+

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