06 May 2020

030/2020 T7 Announcement of T7 Release 9.0

1. Introduction

Deutsche Börse AG plans to introduce T7 Release 9.0 on 23 November 2020. The simulation period for T7 Release 9.0 is planned to start on 14 September 2020.

The following functional enhancements will be introduced in T7 Release 9.0:

- TED spreads
- Basis Trading for Eurex EnLight
- Electronic processing of off-book reversals
- Customer Handling Instruction field (FIX tag 1031)
- New T7 FIX LF Gateway

Simulation start: 14 September 2020
Production start: 23 November 2020

2. Required action

Trading Participants are requested to initiate the preparatory steps for software readiness for the new T7 Release 9.0 on 23 November 2020.

3. Details of the initiative

A. Implementation and communication schedule for T7 Release 9.0

The production launch of T7 Release 9.0 is planned for 23 November 2020. Figure 1 in the attachment gives an overview of the introduction schedule.

Deutsche Börse AG will provide a dedicated release simulation environment in order to give Trading Participants and Independent Software Vendors (ISVs) the opportunity to perform comprehensive

testing of their trading applications, independently of the T7 production environment. The start of the simulation period for T7 Release 9.0 is planned for 14 September 2020.

In addition to the T7 release simulation, Trading Participants can also use the T7 Cloud Simulation that allows Trading Participants and ISVs to test against the current T7 production and simulation software versions. In this environment, Trading Participants can initiate predefined market scenarios and test specific strategies more easily than in a shared environment. The T7 Cloud Simulation is permanently available (24/7) for a fixed price per hour and is accessible using an SSL-encrypted internet connection. The T7 Cloud Simulation will start in advance to the usual release simulation.

For more information on the T7 Cloud Simulation, please refer to the Eurex website www.eurexchange.com under the following path:

Technology > Eurex T7 Cloud Simulation

Eurex is committed to providing Trading Participants and ISVs with information updates throughout the development of T7 Release 9.0 in order to support adequate planning and to ensure a successful launch.

In June 2020, Eurex will publish the detailed preliminary Release Notes listing the functional and technical enhancements that will be available in T7 Release 9.0.

The existing documents that will be revised for T7 Release 9.0 are listed in Figure 2 in the attachment.

B. Overview of functional enhancements

The following sections provide an overview of the functional enhancements which will be introduced with T7 Release 9.0:

TED spreads

Eurex is planning to introduce standardised TED spreads based on the fixed-income Schatz future (FGBS) and the two-year bundle of the Euribor future (FEU3) consisting of eight consecutive maturities covering a time frame of two years. Additional TED spreads based on a different short-term interest rate future (e.g. €STR future), also covering two years, may follow. Since both futures are denominated in euro, the corresponding IPS type may also be denoted as European TED spreads.

Basis Trade for Eurex EnLight

The Basis Trade functionality shall allow a negotiation workflow for outright futures trading. The goal is to reduce the underlying delta risk of the responder as the negotiation is only around the basis between the underlying and the future. The execution of the underlying by the responder (outside of the T7 system) is proceeded after a deal of the basis has been agreed. The final trade price is dependent on the execution price reached in the underlying by the responder as the futures price will be newly calculated using the execution price and the basis.

Electronic processing of TES trade reversals

The Eurex Trade Entry Service (TES) workflow will be extended to include reversal processing. The initiator of the TES trades is the only person within the TES workflow who knows all counterparties of the TES trade and all approvers see the initiator as the counterparty. Once a counterparty wants to reverse the TES trade, instead of contacting Eurex Market Operations, the counterparty will contact the initiator of the TES trade and ask the initiator to trigger the TES trade reversal. Only the initiator of the TES trade will be able to trigger its reversal. Each counterparty of the TES trade must approve the reversal of their TES trade side.

Similar to the TES workflow, the initiator will be informed about the change of TES trade status and TES trade side status and hence have the overview of the complete TES workflow. The initiator will see the status of each TES trade side, whether the counterparties have approved the reversal or not, and can, if required, contact (outside of the T7 system) a specific counterparty. Please note that the electronic processing of TES trade reversals can be applied on complex instrument level.

Once the reversal request for each TES trade side has been approved, Eurex Market Operations must confirm the reversal of the TES trade. After the reversal of the TES trades has been approved by Eurex Market Operations, the corresponding TES trade and – in case of a complex instrument – all related TES Deals on leg instrument level will be automatically reversed.

Customer Order Handling Instruction field (FIX tag 1031)

Eurex will offer its Trading Participants the possibility to tag orders or TES trades submitted with Trading Capacity A according to the valid values defined by FIA using the FIX tag 1031. In case tag 1031 is left blank, an exchange default value will be applied.

New T7 FIX LF Gateway

As part of T7 Release 9.0, Eurex will start an initiative to integrate the FIX gateway closer in the T7 architecture. This new customer interface, using the FIX 4.4 Protocol, will be offered in parallel to the existing FIX interface and will, after a transition period, replace the existing interface. As an initial step, Eurex will introduce new T7 FIX LF Gateways for back-office sessions in Q1 2021. A detailed timeline will be provided with sufficient lead time.

Attachment:

- Introduction Schedule and Communication Calendar for T7 Release 9.0

Further Information

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