

Corporate Bond Index Futures

The European Fixed Income Markets are in a state of fundamental change with investment banks and asset managers restructuring their businesses to meet new regulatory requirements. Furthermore, buy-side firms' investment approach is undergoing structural changes as passive products such as exchange-traded funds (ETFs) are gaining momentum. Along with an extraordinary monetary policy, these changes are creating a need for alternative instruments for hedging and portfolio management in the European corporate bond market.

Today, the corporate bond market plays a key role in facilitating economic growth, productivity and employment in Europe. This is reflected in the constant growth of outstanding corporate debt in the Eurozone. The recent strong inflows into bond ETFs come after the asset class emerged as the top-seller in 2016, with European-listed bond ETFs drawing in a net EUR 9.1 bn over 12 months. At the same time, European corporate bonds have benefited from the ECB's Corporate Sector Purchase program, including European non-financial bonds. As of 1 March 2018, Futures on the EURO STOXX 50[®] Corporate Bond Index (FCBI) are available for trading to Eurex Participants and investors domiciled in the U.S. It is the first time, the U.S. Commodity Futures Trading Commission certified a debt security index future.

EURO STOXX 50[®] Corporate Bond Index

STOXX launched the Corporate Bond Index in April 2016. It is based on the debt of the constituents of the benchmark EURO STOXX 50[®] index, and is the only index that tracks the performance of investment grade, EUR-denominated, corporate bonds of the EURO STOXX 50[®] constituents. Tailored index methodology, real-time calculation every minute and on independent data source guarantee quality of valuation services and improved market transparency.

EURO STOXX 50[®] Corporate Bond Index Futures

With the EURO STOXX 50[®] Corporate Bond Index Futures, Eurex new corporate bond index future provides buy- and sell-side participants with a versatile hedging instrument to manage their credit risk exposure and replicates some of the exposure within their portfolios.

The Corporate Bond Index Future is a cash settled index future with a quarterly expiry and the unique advantages of an exchange traded, straight-through processed and centrally cleared product. As it has the structure of a standard Eurex index future, the new product can be easily added to existing infrastructure.



With the introduction of Corporate Bond Index Futures, Eurex has a unique, exchange-traded offering for the corporate bond segment in Europe.



Lee Bartholomew, Head of Fixed Income & FX Product R&D, Eurex

Key benefits

Futures alternative

An unrivalled trading and hedging alternative in the European corporate bond market, Corporate Bond Index Futures serve as a proxy for the debt of the EURO STOXX 50[®] constituents as alternative to existing benchmarks such as CDS.

Optimized portfolio management

Reduce tracking risk as well as help generate leveraged access to corporate bond beta as a portfolio overlay.

Operational efficiency

Improve daily operational procedures (e.g. cash bond settlement procedure).

Supports the development of structured products

Offers banks that sell bespoke and structured products an efficient hedge.

Spread trading opportunities

A liquid instrument to trade Eurozone corporate debt versus European sovereign debt or versus EURO STOXX 50® equity index futures. Exchange for Physicals (EFP) Services allow for the simultaneous purchase/sale of futures along with a sale/purchase of other futures contracts.

Block Trade Services

In addition to the Central Limit Orderbook (CLOB), Corporate Bond Index Futures trades can also be agreed bilaterally, and subsequently registered via Eurex' T7 Entry Services. The minimum block trade threshold is 100 contracts (does not apply to EFP).

Contract specifications*

EURO STOXX 50® Corporate Bond Index Futures	
Contract standard	EURO STOXX 50® Corporate Bond Index (price index, EUR), corporate bonds from companies that are constituent of the EURO STOXX 50® index at the time of rebalancing.
Product code	FCBI
Contract value	EUR 1,000 per index point (about EUR 100,000 in notional)
Price quotation / tick size / tick value	In points with two decimal places / 0.01 points = EUR 10
Contract months	The three nearest quarterly months of March, June, September and December cycle
Settlement	Cash settlement, payable on the first exchange day after following the expiration day
Last trading day	The third Friday of each maturity month if this is an exchange day at Eurex; otherwise the exchange day immediately preceding that day; close of trading in the maturing futures on the last trading day is 19:00 CET.
Final settlement day/expiration day	Final settlement day is the exchange day immediately following the last trading day.
Final settlement price	Based on EURO STOXX 50® Corporate Bond Index (price index, EUR) closing level on the last trading day
Daily settlement price	Determined from the volume weighted average of all transactions during the minute before 17:15 CET (reference point), provided that more than 5 trades are transacted within this period.
Trading hours	Order book 08:00 – 19:00 CET Off-book 08:00 – 19:00 CET (Eurex T7 Entry Services)
Market Making	09:00 – 17:15 CET
Block Trading	Allowed. Minimum Block Trade size: 100 lots

*As of 1 March 2018, Futures on the EURO STOXX 50® Corporate Bond Index (FCBI) are available for trading to Eurex Participants and investors domiciled in the U.S.

Vendor codes

Underlying instrument						
Index	Currency	Index type	ISIN	Bloomberg	Reuters	
EURO STOXX 50® Corporate Bond Index	EUR	Price	DE000A0QZJL9	SX5BPI Index	.SX5BPI	

Eurex products							
Product name	Currency	Index type	ISIN	Bloomberg	Reuters	Product code	Product type
Future on EURO STOXX 50® Corporate Bond Index	EUR	Price	DE000A2GF978	CBIA Index	0#FCBI:	FCBI	FINX

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ARBN Number: Eurex Frankfurt AG ARBN 100 999 764

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