



e u r e x circular 023/04

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

Delisting of One Month EURIBOR Future (FEU1)

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- Auditing / Security Coordination

Attachments:

1. Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Clearing Conditions for Eurex Clearing AG

In their meeting on February 25, 2004, the Management Boards of Eurex Deutschland and Eurex Zürich as well as the Executive Board of Eurex Clearing AG decided to delist the One Month EURIBOR Future Contract (FEU1).

This product will be set to "HALT" with effect from March 16, 2004. If there is still open interest in one of the expiration months on the effective date, the product will be set to "HALT" when there is no more open interest. Expiration months where there is no open interest, will no longer be able to be traded from the effective date.



(...)

1 Part: Contract Specifications for Futures Contracts

(...)

1.15 ~~Subpart: Specifications for Future Contracts on the Interest Rate for One Month Cash Deposits in Euro (One Month EURIBOR Futures)(deleted)~~

~~1.15.1 Subject Matter of Contract~~

- ~~(1) A One Month Euribor Future is a futures contract on the interest rate for one month cash deposits in Euro. The value of a contract shall be EUR 3,000,000.~~
- ~~(2) After the close of trading in the contract, the seller of a One Month Euribor Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a One Month Euribor Future shall pay in cash any difference between the agreed price and the lower final settlement price.~~
- ~~— The final settlement price shall be determined by the Eurex Exchanges at 11:00 a.m. Brussels time on the final settlement day for a contract (subsection 1.15.2 paragraph (2) sentence 1) on the basis of the reference interest rate EURIBOR in Euro which will be calculated by the Euribor FBE and Euribor ACI for one month cash deposits.~~

~~1.15.2 Term, Close of Trading~~

- ~~(1) Terms expiring on the final settlement day of the 6 succeeding calendar months are available for trading at the Eurex Exchanges.~~
- ~~(2) The last trading day and final settlement day of a contract shall be the second Exchange day prior to the third Wednesday of the relevant performance month (calendar month pursuant to paragraph (1))— provided that on this day the Euribor FBE and Euribor ACI have determined the reference interest rate EURIBOR relevant to one month cash deposits, otherwise the preceding Exchange day. The close of trading for the expiring contract is 11:00 a.m. Brussels time.~~

~~1.15.3 Price Gradations~~

~~The price of a contract shall be quoted as a percentage with 3 decimal places on a basis of 100 less the interest rate traded. The minimum change in price ("Tick") shall be 0.005 percent (EUR 12.50).~~

~~1.15.4 Performance, Cash Settlement~~

- ~~(1) The performance day shall be the Exchange day after the last trading day.~~
- ~~(2) Contracts shall be performed by cash settlement between Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing~~
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~~Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.~~

~~**1.15.5 — Consummation of Transactions (Pro Rata Matching)**~~

~~The matching of orders and quotes relating to the One-Month Euribor Future shall take place on the basis of the Pro Rata Matching Principle in accordance with subsection 2.2 paragraph (5) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich.~~

~~(...)~~

CLEARING CONDITIONS FOR EUREX CLEARING AG

(...)

2 Part: Settlement of Transactions at Eurex Deutschland and Eurex Zürich

2.1 Subpart: Settlement of Futures Contracts

(...)

2.1.15 ~~Sub-Subpart:~~ ~~Settlement of Futures Contracts on the Interest Rate for One-Month Cash Deposits in Euro~~ ~~(One-Month Euribor Future)(deleted)~~

~~2.1.15.1 General Provisions~~

- ~~(1) Eurex Clearing AG shall be a contracting party to all payments arising out of the settlement of One-Month Euribor Futures contracts.~~
- ~~(2) Clearing Members must fulfill their payment obligations in accordance with the instructions of Eurex Clearing AG.~~
- ~~(3) The following shall apply to the procedures for payments pursuant to paragraph 1: All payments shall be made between the Clearing Members through their accounts at a branch of the Central Bank of Germany (Deutsche Bundesbank) on the Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in their account at a branch of the Central Bank of Germany (Deutsche Bundesbank) or in the account at a branch of the Central Bank of Germany (Deutsche Bundesbank) of the correspondent bank which has been instructed by the Clearing Member to handle the clearing of the contract.~~

~~2.1.15.2 Daily Settlement~~

- ~~(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.~~
- ~~(2) The daily settlement price shall be determined on the basis of the volume-weighted average of the prices of the last five transactions entered into, provided that no more~~

~~than 15 minutes have passed since these transactions, or, if more than five transactions were entered into during the final minute of trading, the volume-weighted average of the prices of all transactions entered into during such period. If it is not possible to determine a price pursuant to the above provision, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.~~

~~(3) Paragraph (1) shall apply to the legal relationship between the General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them mutatis mutandis.~~

~~(4) With respect to the payments resulting from the daily settlement the provisions under subsection 2.1.15.1 shall apply mutatis mutandis.~~

~~2.1.15.3 — Margin Requirements~~

~~(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 to 1.3.5. In addition thereto, the following provisions shall apply:~~

~~(2) With respect to the One-Month Euribor Future contracts, margin must, for positions that may be netted, be maintained to cover the risk that the prices of contracts with different performance months will not move in exactly the same direction ("Spread Margin"). In the case of netting, a net long position in one contract with one performance month will, to the extent possible, be set off against a net short position in another contract with a different performance month.~~

~~(3) In addition to the margin required under paragraph (2), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all futures positions that cannot be netted in accordance with paragraph (2) assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of the margin requirements.~~

~~2.1.15.4 — Performance~~

~~(1) Open positions from the last trading day of a contract shall be settled by means of a net payment credited to or debited from the internal cash clearing account for the Clearing Member. Such payments shall be determined on the final settlement day as the difference between the final settlement price of a contract and such contract's daily settlement price (subsection 2.1.15.2) on the preceding trading day, provided that the positions dated from the preceding day. With respect to the positions opened on the last trading day, the payment shall equal the difference between the final settlement price and the trading price.~~

~~— The cash settlement pursuant to sentence 1 shall occur only on the settlement day, which is the Exchange day next following the final settlement day.~~

~~(2) The final settlement price shall be determined by Eurex Clearing AG on the final settlement day for a contract based on the reference interest rate EURIBOR in Euro which will be calculated by the Euribor FBE and Euribor ACI for one-month cash deposits.~~

~~2.1.15.5 Default in Payment~~

~~Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.~~

~~(...)~~