



e u r e x circular 059/06

Date: Frankfurt, March 28, 2006
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Designated Market-Making: Extension for Various Products

Related Eurex Circulars: 026/05, 118/05, 146/05, 148/05

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Content may be most important for:

Ü All Departments

Attachments:

1. Designated Market Maker Application
2. Designated Market Maker Quote Obligations

In their session on March 22, 2006 the Management Boards of the Eurex Exchanges approved the following measures:

Extension of Designated Market-Making (DMM) for below index products until **March 31, 2007**:

- MDAX[®] Futures (F2MX)
- SMIM[®] Futures (FSMM)
- Dow Jones STOXX[®] 600 Futures (F600)
- Dow Jones STOXX[®] 200 Mid Futures (F2MI)
- VDAX New[®] Futures (FVDX)
- VSTOXX[®] Futures (FVSX)
- VSMI[®] Futures (FVSM)

The quote obligations for Designated Market Makers in these products and the application form are comprised in attachments 1 and 2.

Should you require further information please feel free to contact Ralf Huesmann at tel. +49-69-211-1 54 43.





Application Form - Designated Market Making Scheme

To Eurex
Product Design Equity/Index
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Application for the Status of Designated Market Maker in below Index Futures

1. We _____
 (name of member)

herewith apply for the status of Designated Market Maker in the following contract

Product	Eurex Code	Please tick your interest ü
MDAX [®] Futures	F2MX	<input type="checkbox"/> yes
SMIM [®] Futures	FSMM	<input type="checkbox"/> yes
Dow Jones STOXX [®] 600 Futures	F600	<input type="checkbox"/> yes
Dow Jones STOXX [®] 200 Mid Futures	F2MI	<input type="checkbox"/> yes
VDAX-NEW [®] Futures	FVDX	<input type="checkbox"/> yes
VSTOXX [®] Futures	FVSX	<input type="checkbox"/> yes
VSMI [®] Futures	FVSM	<input type="checkbox"/> yes

for the period from April 1, 2006 until March 31, 2007 in accordance with the terms and conditions stated in the Quote Obligations (attachment 2).

2. As a Designated Market Maker

- a) we will provide bid and ask quotes on both sides of the market
- for the minimum number of contracts specified in the Quote Obligations
 - in compliance with the Maximum Spreads (see Quote Obligations); and
 - for the period of time specified in the Quote Obligations (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract and in response to quote requests)



- b) we will designate a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;
 - c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market-Making; and
 - d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.
3. Eurex will in return
- a) publish the name of the Eurex member with the Designated Market Maker status in advertising and information material in connection with the contracts;
 - b) make Eurex speakers and printed material available for seminars organized by the Designated Market Makers regarding the respective index futures; and
 - c) refund all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts up to March 31, 2007. Refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if the respective index futures are traded on A- or P-accounts or if the Quote Obligations are not fulfilled.
4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.
- In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.
5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.
6. Eurex shall have the right to amend one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments is not expected to have an adverse effect on market quality). In the event that Eurex amends one or more conditions, the Designated Market Makers must, for their part, ensure that the Designated Market Makers can also be promptly advised that this situation has ceased to exist.
7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on March 31, 2007. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.



8. The associated Quote Obligations (attachment 2) are an integral part of this application.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

Place, date

Name

Position

Phone

Fax

(Signature / Stamp of the firm)

E-mail address

Please fax the completed application for the status of Designated Market Maker to above-mentioned fax number.



Designated Market Maker Scheme for Futures on the MDAX[®] Index

Quote Obligations

Eurex Code:	F2MX
Minimum Size:	25 contracts on the bid and ask side, only in the series with the nearest expiration (Front Month).
Maximum Spread:	15 index points The spread classification will be reviewed on a monthly basis.
Quotation Period:	90 percent of the daily trading period between 09:00 and 17:30 (CET) on a monthly average.
Designated Market Maker Fees:	April 1, 2006 up to the March 31, 2007. Total refund of trading and clearing fees for contracts traded on M-accounts.



**Designated Market Maker Scheme
for Futures on the SMIM[®] Index**

Quote Obligations

Eurex Code:

FSMM

Minimum Size:

50 contracts on the bid and ask side, only in the series with the nearest expiration (Front Month).

Maximum Spread:

5 index points

The spread classification will be reviewed on a monthly basis.

Quotation Period:

90 percent of the daily trading period between 09:00 and 17:20 (CET) on a monthly average.

Designated Market Maker Fees:

April 1, 2006 up to the March 31, 2007.
Total refund of trading and clearing fees for contracts traded on M-accounts.



**Designated Market Maker Scheme
for Futures on the DJ STOXX® 600 and the DJ STOXX® Mid 200 Index**

Quote Obligations

Eurex Code:	F600 F2MI
Minimum Size:	50 contracts on the bid and ask side, only in the series with the nearest expiration (Front Month).
Maximum Spread:	1 index point for Dow Jones STOXX® 600 Futures and for Dow Jones STOXX® Mid 200 Futures. The spread classification will be reviewed on a monthly basis.
Quotation Period:	90 percent of the daily trading period between 09:00 and 17:30 (CET) on a monthly average.
Designated Market Maker Fees:	April 1, 2006 up to the March 31, 2007. Total refund of trading and clearing fees for contracts traded on M-accounts.



**Designated Market Maker Scheme
for Futures on the VDAX-NEW[®] Index, the VSTOXX[®] Index and
the VSMI[®] Index**

Quote Obligations

Eurex Code:	FVDX FVSX FVSM
Minimum Size:	10 contracts on the bid and ask side for all expiries.
Maximum Spread:	10 percent of the bid price. The spread classification will be reviewed on a monthly basis.
Quotation Period:	85 percent of the daily trading period between 09:00 and 17:30 (CET) on a monthly average. For FVSM end of trading is at 17:20 (CET).
Designated Market Maker Fees:	April 1, 2006 until March 31, 2007. Total refund of trading and clearing fees for contracts traded on M-accounts.