

X-pand into the Future



eurex circular 192/08

Date: Frankfurt, August 8, 2008
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Thomas Lenz

 Action required

 High priority

Dow Jones STOXX® Size Indexes and Dow Jones Euro STOXX® Select Dividend 30 Index: Extension / Re-introduction of Designated Market-Making

Related Eurex Circulares: 148/05, 132/07

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Content may be most important for:

- Ü Front Office/Trading
- Ü Middle + Backoffice
- Ü Auditing/Security Coordination

Attachments:

1. Designated Market Maker Quote Obligations
2. Designated Market Maker-Antrag

Summary:

In its session on August 7, 2008, the Executive Board of Eurex Clearing AG decided to offer a Designated Market-Making scheme (DMM) to further promote trading activities in futures on the indexes listed below. This program will take place in the period of time between **September 1, 2008** and **December 31, 2009**.

- Dow Jones STOXX® 600
- Dow Jones STOXX® 200 Large
- Dow Jones STOXX® 200 Mid
- Dow Jones STOXX® 200 Small
- Dow Jones Euro STOXX® Select Dividend 30



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Dow Jones STOXX® Size Indexes and Dow Jones Euro STOXX® Select Dividend 30 Index: Extension / Re-introduction of Designated Market-Making

In its session on August 7, 2008, the Executive Board of Eurex Clearing AG decided to offer a Designated Market-Making scheme (DMM) to further promote trading activities in futures on the indexes listed below. This program will take place in the period of time between September 1, 2008 and December 31, 2009.

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- Dow Jones STOXX® 200 Small
- Dow Jones Euro STOXX® Select Dividend 30

By this measure, the DMM scheme for the indexes Dow Jones STOXX® 200 Large and Small and Dow Jones EURO STOXX® Select Dividend 30 will be modified and extended. For the indexes Dow Jones STOXX® 600 and Dow Jones STOXX® 200 Mid, Designated Market-Making will be re-introduced.

As Designated Market Makers Eurex Members supply continuous bid and ask prices (quotes) for a determined minimum number of contracts during a fixed period of time in compliance with maximum spreads.

If Market Makers fulfil their obligations, Eurex in return will reimburse 100 percent of the trading and clearing fees for transactions concluded on M-accounts.

For details and exact parameters of the Designated Market-Making Program in these Dow Jones STOXX® Index futures please see attachment 1.

Existing Designated Market Maker licenses will be extended automatically. Participants interested in fulfilling Designated Market Maker functions should complete the Designated Market Maker application form (attachment 2) and return it to Ralf Huesmann, Eurex, at fax no. +44-20-78 62-90 18.

Frankfurt, August 8, 2008



Designated Market Maker (DMM) Scheme for Dow Jones STOXX[®] Size Indexes and Dow Jones EURO STOXX[®] Select Dividend 30 Index

Quote Obligations:

Product	Underlying Index	Sector Future	Minimum Size	Maximum Spread (in index points)
DJ STOXX [®] 600 Futures	SXXP	F600	25	2
DJ STOXX [®] 200 Large Futures	LCXP	F2LA	25	2
DJ STOXX [®] 200 Mid Futures	MCXP	F2MI	25	2
DJ STOXX [®] 200 Small Futures	SCXP	F2SM	25	2
DJ Euro STOXX [®] Select Dividend 30 Futures	SD3E	FEDV	25	10

- The spread and size classification will be reviewed on a quarterly basis.

- If product is set to "fast market" the minimum quote size is decreased by 50% and the maximum spread is increased by 100%

Quotation Period:

80 percent of the daily trading period between 09:00 and 17:30 (CET) on a monthly average.

Market Makers will be obliged to supply bid and ask quotes only in the front month contracts until five exchange trading days immediately preceding the last trading day of the front month contract; afterwards, market makers have the choice of quoting the front month or the next contract month.

DMM Fee Refund:

September 1, 2008 up to December 31st, 2009. Total refund of trading and clearing fees for contracts traded on M-accounts (order book and OTC) on a monthly basis.



Application Form - Designated Market-Making Scheme

To Eurex
Product Strategy
Ralf Huesmann

Fax no. +44-20-79 62-90 18

Application for the Status of Designated Market Maker in Futures on Dow Jones STOXX® Indexes

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in the following contracts for the period from September 1, 2008 until December 31, 2009 in accordance with the terms and conditions stated in the Quote Obligations (attachment 1).

Product	Eurex Code	Please tick the appropriate box	
		<input type="checkbox"/>	<input type="checkbox"/>
DJ STOXX® 600 Futures	F600	<input type="checkbox"/> yes	<input type="checkbox"/> no
DJ STOXX® 200 Large Futures	F2LA	<input type="checkbox"/> yes	<input type="checkbox"/> no
DJ STOXX® 200 Mid Futures	F2MI	<input type="checkbox"/> yes	<input type="checkbox"/> no
DJ STOXX® 200 Small Futures	F2SM	<input type="checkbox"/> yes	<input type="checkbox"/> no
DJ EURO STOXX® Select Dividend 30 Futures	FEDV	<input type="checkbox"/> yes	<input type="checkbox"/> no

2. As a Designated Market Maker

- a) we will provide bid and ask prices in compliance with:
- the minimum number of contracts,
 - the maximum spreads,
 - for the period of time specified (also, and in particular, on a daily basis at the beginning and at the end of trading in the contract) and
 - for the defined contract months
- as specified in the Quote Obligations.
- b) we will give you the name of 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 technical and personnel resources 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. In return,
 - a) Eurex will mention the name of the Eurex member with the Designated Market Maker status in advertising and informative material in connection with the contracts, if applicable;
 - b) Eurex will supply speakers and printed material for seminars organized by the Designated Market Makers regarding the contracts, provided the necessary resources are available.
 - c) Eurex will refund all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts up to and including December 31, 2009. The refund for the respective month will be calculated at the beginning of the subsequent month. No refund will be made if 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. Eurex shall have the right to amend or expand 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 or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the Designated Market Makers must, for their part, ensure that they can also be promptly advised if this situation has ceased to exist.
6. 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 December 31, 2009. After that time, the title "Designated Market Maker" may no longer be used unless otherwise agreed with Eurex.
7. The associated Quote Obligations (Attachment 1) are an integral part of this application.
8. Exclusively the law of the Federal Republic of Germany applies to this agreement. Sole place of jurisdiction for all disputes in connection with this agreement is Frankfurt am Main



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

Place, date

Name

Position

Phone

Fax

(Signature / Stamp of the company)

E-mail address

Please send the completed application for the status of Designated Market Maker to the fax number indicated above.