EurexOTC trade entry facilities

Overview and issues in daily operation

June 2011

Agenda

- Characteristics of EurexOTC trade entry facilities
- Available EurexOTC trade entry facilities
- Possible issues when using EurexOTC trade entry facilities
- Mistrades
- Legal restrictions

Characteristics of EurexOTC trade entry facilities (I)

EurexOTC transactions

- Have been negotiated off exchange.
- Can be entered into the Eurex® system to generate positions with Eurex Clearing and therefore are subject to margining, position and risk management.
- A separate legal agreement needs to be confirmed between Eurex Clearing AG and the member (as well to be confirmed by the General Clearing Member (GCM)).
  http://www.eurexchange.com/documents/forms/trading_derivatives/single/otc_en.html
- The transaction must be initiated by the buyer of the position except for vola trades and flexible contracts transactions.
- Wholesale trade entry services are not accessible for order routing customers unless trades are entered under a specific trader subgroup (ATCxxx), further details are available in Eurex Clearing circular 106/2007.

An entered transaction

- Will only become effective (generating a position) after the counterparty approved/ratified the transaction in the Eurex® system.
- Will automatically be deactivated after 30 minutes if not approved, but can be reactivated by modifying the trade.
- Open trades are called „open“ until approval and will be deleted during end-of-day processing if unratified.

Characteristics of EurexOTC trade entry facilities (II)

Minimum threshold

- For block trades and flexible contracts a minimum volume threshold is required.
- All other trade entry functionalities are linked to another underlying transaction (options, bonds, swaps, cash basket, ETFs, etc.) with futures being part of the hedge, thus no threshold applies.
- For information on minimum threshold per product please refer to the following link http://www.eurexchange.com/trading/wholesale/block_trades_en.html or to the appendix of OTC conditions (note: threshold for all SSF is set to 1 lot).

Fees

- For block trades/flexible trades in equity/equity index index/fixed income options as well as Single Stock Futures a reduced block trade fee is charged; this only applies per trade, i.e. if one enters a block trade for 10.000 single stock futures only EUR 200 will be charged, but if one splits this trade in 2 transactions at 5000 contracts each, the fee is charged twice.
- We strongly recommend to check with security administration/risk management if the maximum wholesale quantity can be increased to reduce fees; in the Eurex system a maximum wholesale quantity of 999.999 can be set.
- For fee details please refer to http://www.eurexchange.com/trading/fees_en.html.

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Available EurexOTC trade entry facilities (I)

Block Trade for Strategies

- All available strategies can also be entered as a block trade as long as the trade size is above minimum threshold.

- For vola strategies always a multiplier for option legs applies, i.e. OESX 1 strategy consists of 100 options per leg and the user defined future delta for 100 lots; so only trades for a multiple of 100 options (or 250 for ODAX) is possible.

- Vola strategies for equity options versus cash underlying are only possible as a block trade since Eurex Release 12.0.
  - delivery instruction for the cash leg is automatically generated in the CCP
  - cash position is not visible in the Eurex GUI/position management
  - accordingly cannot be given up

- Potential workaround: entry of a multilateral trade for equity option vola strategy and assign trades to final T/U members, so cash position will directly be generated for final position holder.

Available EurexOTC trade entry facilities (II)

Exchange For Swaps (EFS):

- Bilaterally agreed simultaneous transaction of a receiver/payer interest swap/swaption versus futures.
  - All swap payments must be denominated in a currency of the OECD member states
  - The interest rate swaps must have a price correlation so that the futures are a suitable instrument for hedging the cash market transaction.

Exchange For Physicals Financial Trades (EFP):

- Bilaterally agreed simultaneous transaction in a cash debt security or another fixed income/money market futures versus Eurex futures.
  - All fixed income debt securities denominated in a currency of OECD member states
  - The debt securities must have a price correlation so that the futures are a suitable instrument for hedging the cash market transaction; Eurex circular 055/08.

Further Information on EFS/EPF enhancements under: http://www.eurexchange.com/trading/wholesale_en.html

Available EurexOTC trade entry facilities (III)

Exchange For Physicals Index Futures Trades (EFPI)

- Bilaterally agreed transaction in a share basket / ETF with specific characteristics versus equity index futures.
  - The number of traded futures must have a specific correlation to the nominal value of the equity basket/ ETF so that the futures are a suitable instrument for hedging the cash market transaction; cash leg must reflect the EFPI future trade as described in §11 OTC Entry Conditions.

- After member consultation several changes were made in 2010:
  - Eurex clearing circular 40/10: as of July 1, 2010 it is allowed to enter a combination of two future block trades for the same product in order to replicate the underlying index pricing (i.e. underlying in 3 decimals, future in 2 decimals).
  - Eurex clearing circular 59/10: as of August 30, 2010 it is possible to have different cash transactions against same futures trade under conditions described in 2.2.1 of OTC conditions.
  - The nominal value of the equity basket or ETF, at minimum, has to amount to 1/3 of the transaction value of the minimum transaction volume for a block trade in the respective equity index future (minimum block trade size x underlying price x multiplier/3) and must not deviate from the nominal value of the futures position by more than 20 per cent at maximum.

Available EurexOTC trade entry facilities (IV)

Volatility Trades:

- After conclusion of an options transaction which exists in the Eurex clearing system with a transaction number, the Vola Trade facility allows participants to enter a transaction concluded off-exchange in the affiliated futures.
  - The vola trade can only be entered by the same members involved in option trade.
  - A vola trade is validated on the delta of each leg. Thus vola trades in strategy trades might need to be split up on the different option legs.
  - If an option trade was partially executed the Vola Trade entry functionality can no longer be used – Eurex Market Supervision can then enter the futures leg on behalf after having received all trade details form the involved counterparts.

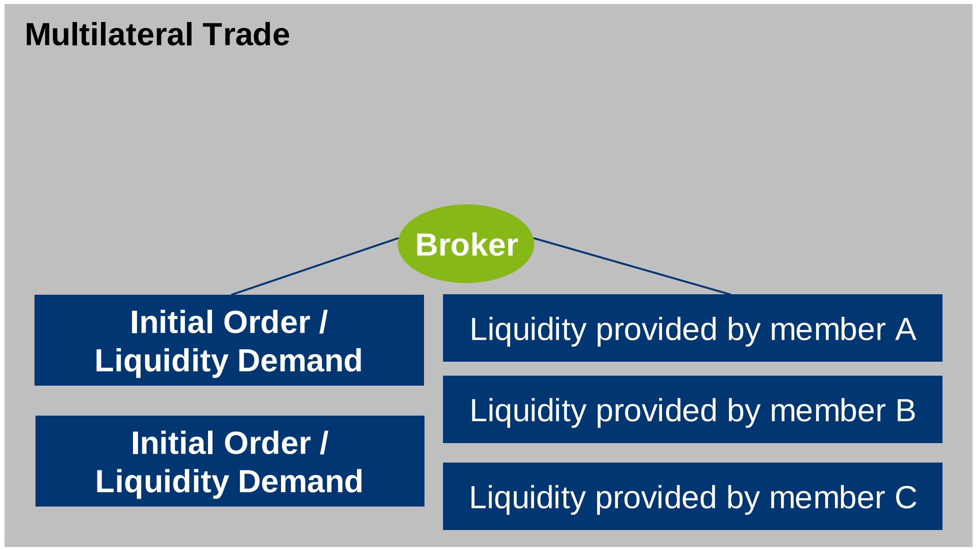
EFP Trades:

- Applicable only for EEX

Available EurexOTC trade entry facilities (V)

Multilateral Trade Registration

- As of July 1, 2008, Eurex introduced a Multilateral Trade Registration (MTR) facility that allows the entry of block trades in equity and fixed income options that involve several counterparties on both buy and sell side.



Available EurexOTC trade entry facilities (VI)

Multilateral Trade Registration

- For all counterparties, the broker appears as the counterpart in the system, so trade anonymity is given, whereas the broker can always check status of each subtransaction.
- The trader subgroup of each involved party needs to be entered into the system to ensure that a trade is posted to the correct desk.
- With Eurex Release 12.0 the functionality was extended to EFP/EFS trades, for further details refer to Eurex circular 48/09.

Available EurexOTC trade entry facilities (VII)

Flexible Contracts facility – Flexible Options and Flexible Futures

- Flexible Options and Flexible Futures functionality meets market requirements and allows users to customize the contract terms yet maintain the security of an exchange traded contract.

- Customers benefit from:
  - Enhanced off-exchange trading and clearing flexibility
  - Anonymity, as Flexible Contracts transactions are not published
  - Fungibility
  - Mitigation of counterparty risk
  - Security of transacting on a regulated exchange
  - Margin offsets between Flexible Contracts transactions and exchange-listed products

Available EurexOTC trade entry facilities (VIII)

Flexible Contracts facility – Flexible Options and Flexible Futures

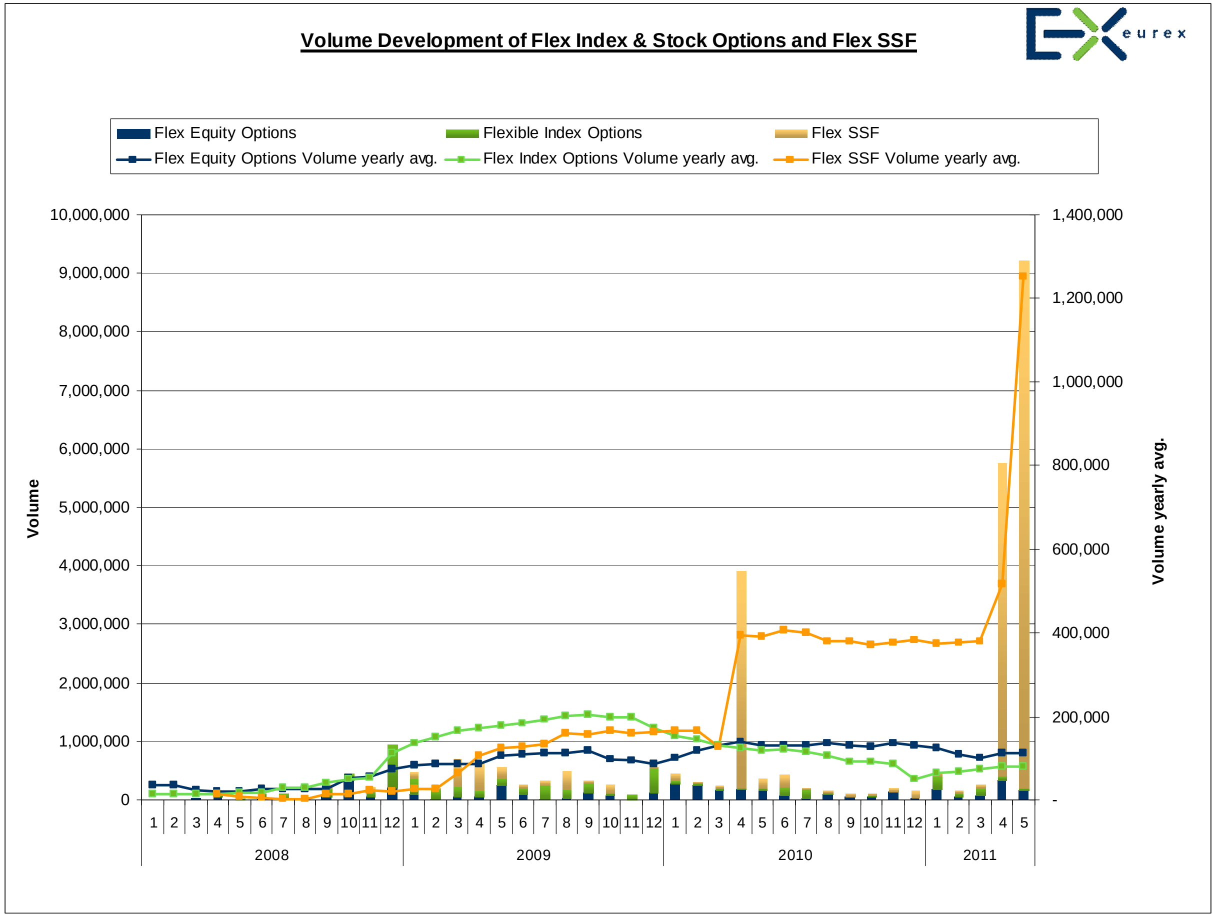
- For Flexible Options customers can tailor option trades by defining the following parameters*.
  - Exercise price
  - Expiration month
  - Expiration day
  - Exercise style (American or European)
  - Settlement type

- Flexible Futures can be designed with user defined maturity dates and settlement type (for Single Stock, equity index and ETF futures).
  - The maturity date can be any business day starting from the next business day until the longest standard maturity active in the Eurex® system
  - The settlement type can be physical delivery or cash settlement

*as long as no identical listed option/futures exists

Flexible Contracts (I)

Volume Development at Eurex Exchange



Flexible Contracts (II)

Improvements with Eurex Release 13.0

- Introduction of position transfer with cash
  - A new field was introduced in the OTC Flexible Contracts Clearing window allowing the attachment of a cash amount to a flex position transfer.
- Straightforward trade netting by enhanced close out facility
  - Via the OTC Flexible Contracts Clearing window it is possible for a member to select each buy and sell trade with same quantity and contract details to do a close out.
  - Close out is only possible for complete transactions, for partial close out first a trade separation needs to be performed.
- Enhancement of assignment process for flexible contracts
  - The assignment process is now fully random and thus is similar to the assignment process for exchange-listed contracts.
- Introduction of two new reports
  - Reports will provide combined information for exchange-listed and flexible contracts; CB011 will show the combined previous day's activity, CB021 will offer trade/position information.

EurexOTC trade entry facilities

Trading hours

As a general rule the following trading hours apply:

- Block trades can be entered/approved during continuous trading until end of Post Trading period; as soon as the system switches to state P1/P2/PR the wholesale trade entry functionalities are no longer available.
- For detailed schedules please refer to:
http://www.eurexchange.com/trading/hours/INT_en.html
or to the General conditions for OTC Trading:
http://www.eurexchange.com/download/trading/otc_conditions_en.pdf
- Some indicative trading hours (subject to possible changes):
  - equity/equity index options until 19:00 CET
  - Single Stock Futures until approx. 19:30 CET
  - futures (late trading) until 22:00 CET

Please note:
On the Last Trading Day of fixed income options using EurexOTC trade entry service ends at 17:45 CET for **these products**!

EurexOTC trade entry facilities

Available reports

In order to review off-exchange activities Eurex provides on a daily basis different reports:

- **RPTTC545** : Trade maintenance for all Wholesale transactions except strategy activities and EFP-Fin/EFS
- **RPTTC546**: Strategy trade Maintenance
- **RPTTC547**: Trade maintenance EFP-Fin/EFS
- **RPTTC549**: EBI Trade Maintenance
- **RPTCB063**: Flextransaction Overview
- **RPTCB064**: Flexoptions Daily Transactions

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Price validation (I)

Futures

New definition as of November 2009, Eurex Clearing circular 64/09:

- In principal the price range is calculated based on the previous day settlement price +/- 20 per cent of initial margin and/or the daily traded (or synthetic) high/low of the respective future out of these two criteria the wider range is used for validation
  - additionally these specified levels are extended by following ranges:
    - 5 per cent for U.S. American/Brazilian Single Stock Futures
    - 2 per cent for MSCI Japan Index (FMJP)
    - 0,2 per cent for all other futures

- Exception: for fixed income futures the rule “previous settlement price“ does not apply, but only the daily high/low range plus/minus following absolute parameters:
  - FGBL/FBTP 0.08, FGBM 0.05, FGBS 0.02, FGBX 0.30, CONF 0.25

Price validation (II)

Options/Flexible Options

- Based on traded daily high and low of underlying.
- System calculates theoretical highs and lows of related option based on implied volatilities in the Eurex® system.
- In addition to this range:
  - Upper Boundary + 50 per cent of Maximum Market Maker Spreads
  - Lower Boundary – 50 per cent of Maximum Market Maker Spreads
- Flexible Options are interpolated based on the listed options.

Required Resource Access Levels (RALs)

- Since EurexOTC trade entry service require a separate legal agreement RALs must be assigned separately on member and user level.
- As a general rule a user cannot have more privileges than a member; if the legal agreement is signed Eurex assigns the RALs to the member.
- The member is responsible for assigning the RALs to the individual users under Security/User Security Profile Maintenance.
- Following RALs are relevant and must be assigned with level 3:
  - 209 Block Trade Entry
  - 210 Strategy OTC Block Trade /Approval
  - 211 EFP Fin/Index Futures Entry
  - 212 EFS Trade Entry
  - 213 EBI Trade Processing
  - 247 Vola Trade Entry
- For Flexible Option/Future Trading additional RALs are required:
  - 238 Flexible Contract Inquiry must be set to 2
  - 239 Flexible Contract Trading must be set to 3
  - 240 Flexible Contract Clearing must be set to 3

Product assignment

- Additionally to the RAL assignment to each trader a product specific maximum wholesale quantity must be assigned via Security/Product Assignment Maintenance.
- Per default the quantity is set to 9.999 but can be individually increased to maximum of 999.999

GEI
GOS
GOT
GRU
GUS
GUZ
HEI
HEU
HOB
HOL

Asgn	Clearer	Group	Product	Description	MaxOrdrQty	MaxWhsQty	MaxCalSprdQty	Action
	EURSP	BFFHIE		D Interest Rate F&O -fully US appr-	9,999	100,000	9,999	
			FGBL	FUT 8 1/2-10 1/2 Y.GOV.BOND 6%	9,999	100,000	9,999	
			FGBM	FUT 4 1/2-5 1/2Y.GOV.BONDS 6%	9,999	100,000	9,999	
			FGBS	FUT 1 3/4-2 1/4 Y.GOV.BONDS 6%	9,999	100,000	9,999	
			FGBX	FUT ON 24-35 Y.GOV.BOND 4%	9,999	100,000	9,999	
			HICP	EURO-INFLATION FUTURE	9,999	100,000	9,999	
			OGBL	OPTION ON BUND FUTURE	9,999	100,000	N/A	
			OGBM	OPTION ON BOBL FUTURE	9,999	100,000	N/A	
			OGBS	OPTION ON SHAZ FUTURE	9,999	100,000	N/A	

Possible error code 10965 „No trading assignment“ please check your own MaxWhsQty, check with your counterpart on their MaxWhsQty or check entered counterparty ID.

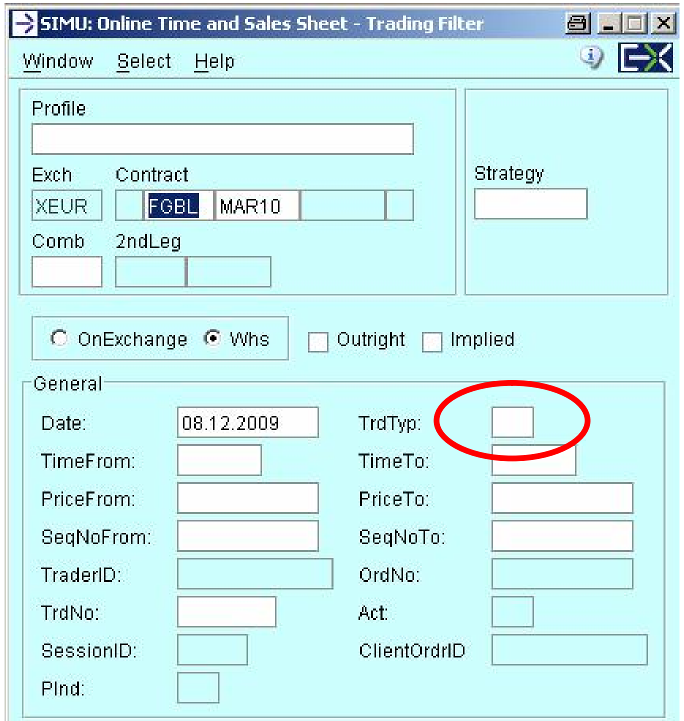
Eurex Market Supervision cannot overwrite these RALs and maximum order quantity in case of Trading-on-Behalf!

Publication of bilaterally agreed transactions

- Trading volume is integrated in the total traded volume
- Trades are displayed in the Online Time and Sales Sheet
- Non Display Disclosure for off-exchange trades in SSFs above 999 contracts, additional limits for equity options as of 2010, not valid for multilateral trades (Eurex circular 236/09,18/10)
  - On the Eurex Trading GUI by selecting the filter Whs (Wholesale).
  - If you click with right mouse in box TrdTyp all different trade types with description are displayed:

TrdTyp	Desc
	All Wholesale Trades
B	Basis Trade
E	EFP Trade
N	EFP-Index Futures Trade
O	OTC Block Trade
P	EFP-Fin Trade
V	Vola Trade
W	EFS Trade

  - Please note: MTR are no longer shown with separate trade type since Eurex Release 12.0, they are shown as part of block trades.
  - New column: trade indicator is flagged with 7.



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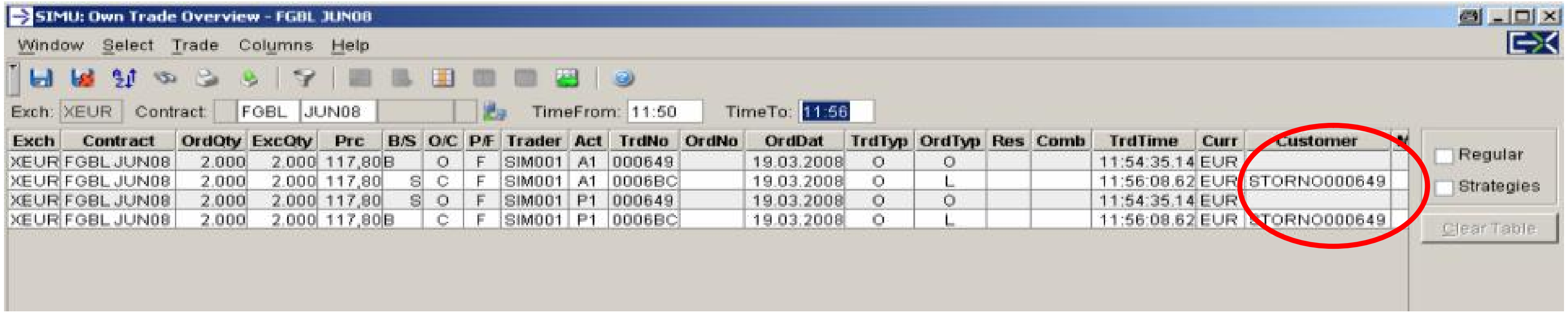
Mistrade reversal handling

- **Required Information:**
  - Member and Trader ID
  - PIN (optional functionality, but mandatory if a PIN was set)
  - Trade details
  - Confirmation from both buyer and seller to cancel transaction
- **Fees:** EUR 500 per counterpart and trade (strategy counts as 1 trade)
- **Time limit:** Mistrade applications must be requested same day
- **Reversals** are displayed in the Eurex® system as an opposite booking with STORNO and original trade number under customer reference, trade fees are automatically refunded



Exch	Contract	OrdQty	ExcQty	Prc	B/S	O/C	P/F	Trader	Act	TrdNo	OrdNo	OrdDat	TrdTyp	OrdTyp	Res	Comb	TrdTime	Curr	Customer
XEUR	FGBL JUN08	2.000	2.000	117,80	B	O	F	SIM001	A1	000649		19.03.2008	O	O			11:54:35.14	EUR	
XEUR	FGBL JUN08	2.000	2.000	117,80	S	C	F	SIM001	A1	0006BC		19.03.2008	O	L			11:56:08.62	EUR	STORNO000649
XEUR	FGBL JUN08	2.000	2.000	117,80	S	O	F	SIM001	P1	000649		19.03.2008	O	O			11:54:35.14	EUR	
XEUR	FGBL JUN08	2.000	2.000	117,80	B	C	F	SIM001	P1	0006BC		19.03.2008	O	L			11:56:08.62	EUR	STORNO000649

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Legal restrictions on Block Trading (I)

Order Aggregation

- It is permitted to aggregate different customer orders into one block trade as long as each order size is above the minimum threshold; any aggregation below this requirement is not allowed and will be fined EUR 2.500 per transaction:
  - Eurex regularly monitors trade separations in off-exchange transaction and automatic alerts are generated if such a trade is split below the minimum threshold.
  - Members are requested on a regular basis to provide trade and customer information to Eurex Clearing AG.
  - A block trade can be split below the threshold only if the initiating client is mandated by the beneficial owner to make the investment decisions with effect to the beneficial owner, i.e. fund/asset manager who makes investment decisions for several funds.

- Details are available in Eurex Circular 090/06 referring to Number 2.4.2 of the Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

Legal restrictions on Block Trading (II)

In-house Crosses

- Pursuant to section 2.4.2. of General Conditions for Participations a “block trade” within the meaning of this regulation is only established if a participant has agreed upon off-exchange **with another participant or another customer** to purchase/sell, on its own account or on behalf of a customer
  - This implies that in-house crosses between any M/P accounts are not permitted.
  - Eurex regularly monitors trade separations and automatic alerts are generated, affected members are informed.
  - As a final consequence for continuous violations Eurex Management might decide to exclude the affected member from the usage of the trade entry functionality.

- For details refer to Eurex Circular 038/06

Back Up

How to enter an OTC Trade

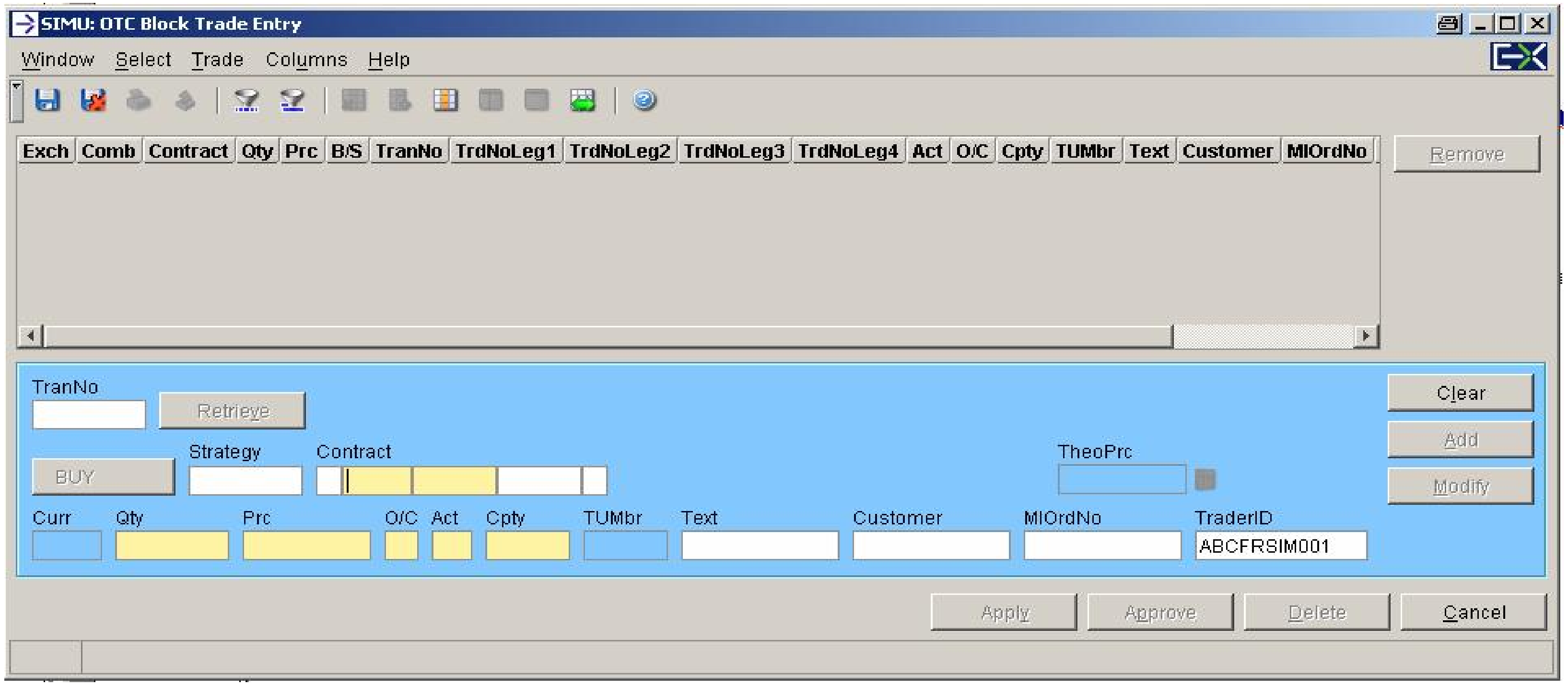
Using Block trades as an example

- Block trades are permitted for all types of products
- Subject to a minimum entry quantity
- Predefined strategy types can be traded as block trades
  - For strategy types please check Eurex Webpage under http://www.eurexchange.com/download/trading/strategy_combinations_de.pdf
- Block trades are displayed with the trade type „O“
- Flexible Contract transactions follow the same logic/parameters
- Most common error messages:
  - 17755: Future Price lower than wholesale future price range lower boundary
  - 17756: Future Price higher than wholesale future price range upper boundary
  - 17757: Option Price lower than wholesale option price range lower boundary
  - 17758: Option Price higher than wholesale option price range higher boundary
  - 10965: No Trading Assignment for this product

Block Trade Entry window (I)

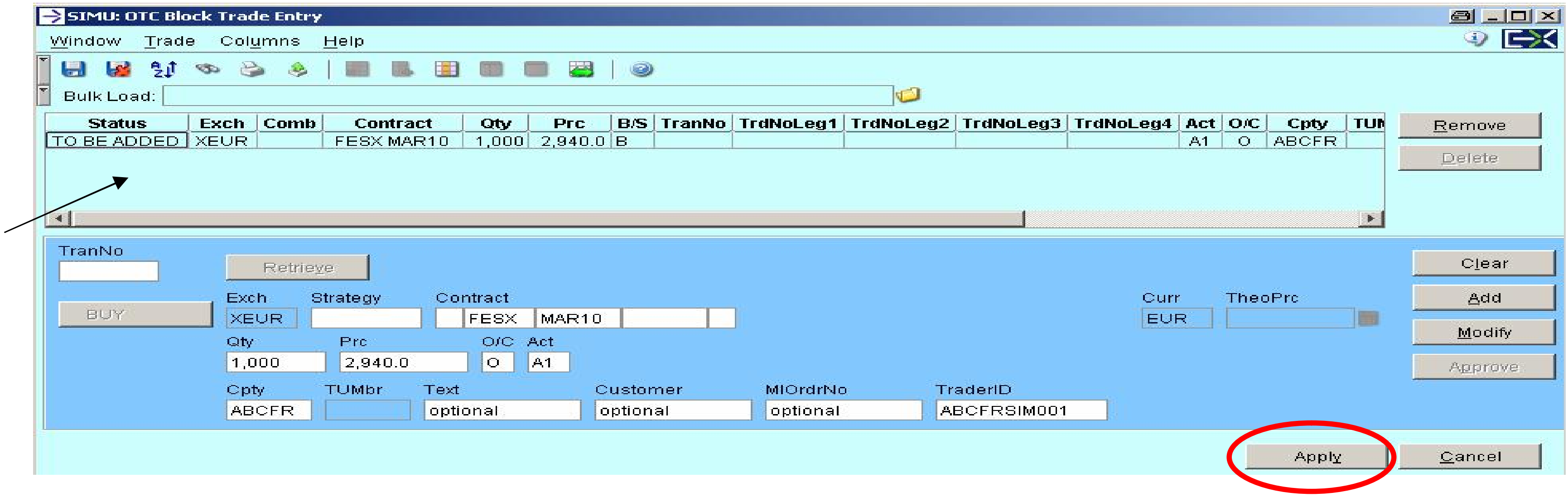
Block trades are initiated by the buyer of the position

- The buyer enters <u>mandatory trade details</u> such as contract, size, price, user ID, account, O/C flag, counterparty (all yellow fields) and optional individual details (Text, customer, Member Internal order number)
- After all yellow fields are filled press the Add button



Block Trade Entry window (II)

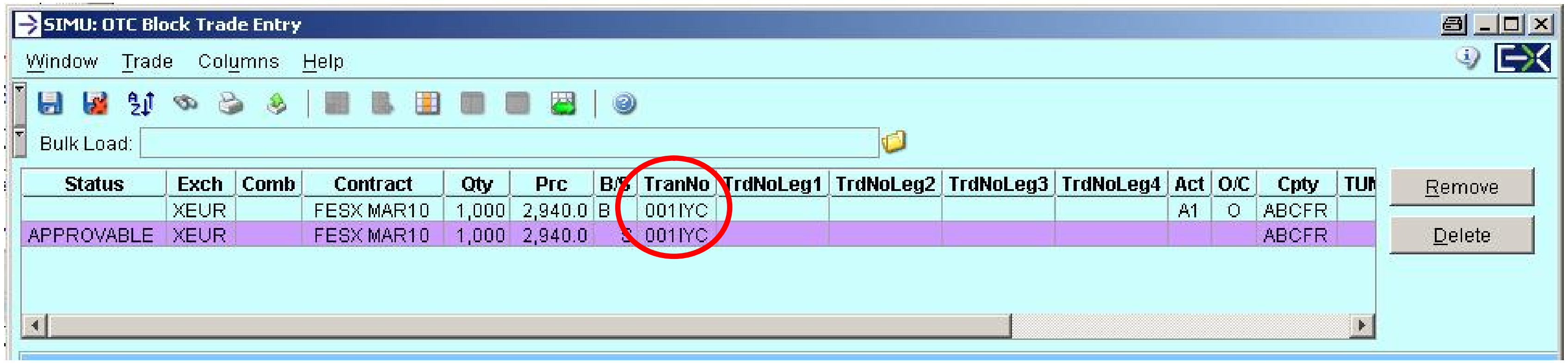
The trade appears in the upper box, click on the blue line if details are correct and press the Apply button



Block Trade Entry window (III)

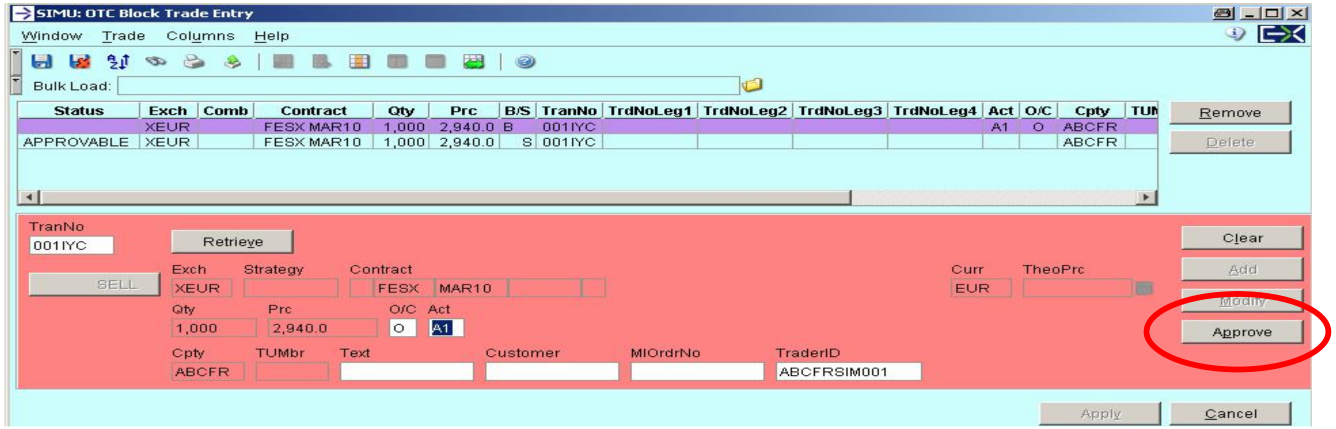
A transaction number will appear which can be given to the counterpart for ratification of the trade

To ratify a trade please enter given transaction number and press Retrieve, sell trade appears in upper box, click on the line and trade details will be filled automatically.



Block Trade Entry window (IV)

Check trade details and fill in remaining fields (O/C, Act), press Approve and after final verification the Apply button



Only then a position is generated!

Trading hours on webpage

Example

Trading Hours

- Interest Rate Derivatives
- Equity Index Derivatives
- Volatility Index Derivatives
- Credit Derivatives
- Commodity Derivatives
- Property Derivatives
- Equity Derivatives
- Dividend Derivatives
- Exchange Traded Funds Derivatives
- Inflation Derivatives
- Weather Derivatives

Eurex operates in three trading phases: pre-trading, trading and post-trading. The post-trading phase is further split in several periods where different functions are available.

The pre-trading phase starts at 07:30 CET
Exceptions: The pre-trading phase for the Eurex - DSFI Product starts at 00:00 CET (09:00 CEST), for agriculture and inflation derivatives at [illegible] CET, for CO_2 derivatives at [illegible] CET, for power derivatives at [illegible] CET, for weather derivatives at [illegible] CET, and for property derivatives at [illegible] CET

Product/Group	Regular Trading Day				Last Trading Day				
	Trad.	Post Trading			Post Trading				Exer./ Notify until
		Full	Late 1	Late 2	Rest.	Full	Late 1	Late 2	
CONF Futures (CONF)	08:30	17:00			20:00	12:30			20:00
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]
Euro-Bund Futures ([illegible])	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]
Euro-Schatz Futures (FGBS)	08:00	22:00			22:30	12:30			20:00
One-Month EONIA Futures ([illegible])	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]			
Options on Euro-Bobl Futures ([illegible])	08:00	19:00	19:15		20:00	17:15		17:45*	18:00
Options on Euro-Bund Futures ([illegible])	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]	[illegible]
Options on Euro-Schatz Futures ([illegible])	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		[illegible]	[illegible]
Options on Three-Month EURIBOR Futures ([illegible])	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]			[illegible]
Three-Month EURIBOR Futures ([illegible])	08:00	19:00	19:00		20:00	11:00			

[illegible] on the Last Trading Day is at [illegible] CET. [illegible] may be performed after [illegible] on the Last Trading Day. Options can be exercised until 18:00 CET on the Last Trading Day.

All times indicated in CET.

Price validation

Strategies

Regular strategies

- Validation of single legs
- Based on traded daily high and low of underlying
- System calculates sum of all theoretical highs and lows of related option legs
- In addition to this range: upper/lower Boundary +/- 0.2 per cent

Volatility strategies

- Based on traded daily high and low of underlying (future)
- In addition to this range: upper/lower Boundary +/- (1per cent) for equity index products and (0.25 per cent) for fixed income derivatives
- System calculates theoretical highs and lows of related option legs
- In addition to this calculated theoretical price of option +/- Max Strategy Quote Spread

Available strategy types on Eurex Exchange (I)

Strategy Combinations

The Eurex Strategy Wizard℠ is a trading platform feature which facilitates trading option and option volatility strategies. It enables all market participants to trade strategies, based on 51 predefined strategy combinations:

Option Strategies

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure and Example (Buy Perspective)
STD	Straddle	2	Buy Call, buy Put at same exercise price ODAX STD FEB07 3900
STDT	Straddle Calendar Spread		Sell Call and Put in near month, buy Call and Put in far month, all at same exercise price ODAX STDT JAN07 FEB07 3900
DIASTD	Diagonal Straddle Calendar Spread		Sell Call and Put in near month, buy Call and Put at different exercise price in far month ODAX DIASTD JAN07 4000 FEB07 3900
STD-C	Straddle versus Call		Buy Call, buy Put at same exercise price, sell Call at different exercise price ODAX STD FEB07 3800 versus C 3900
STD-P	Straddle versus Put		Buy Call, buy Put at same exercise price, sell Put at different exercise price ODAX STD FEB07 3800 versus C 3900
STG	Strangle	2	Buy Put, buy Call at higher exercise price ODAX STG JAN07 3900 - 4000
BUL	Call Spread	0	Buy Call, sell Call at higher exercise price ODAX BUL JAN07 3900 - 4000
BUL-P	Call Spread versus Put		Buy Call, sell Call at higher exercise price, sell Put at any exercise price ODAX BUL FEB07 3900 - 4000 versus P 3800
BER	Put Spread	0	Buy Put, sell Put at lower exercise price ODAX BER JAN07 3900 - 3800
BER-C	Put Spread versus Call		Buy Put, sell Put at lower exercise price, sell Call at any exercise price ODAX BER JAN07 4000 - 3900 versus C 3800

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure and Example (Buy Perspective)
BLT	Call Calendar Spread		Sell Call near month, buy Call at same exercise price in far month ODAX BLT JAN07 FEB07 3900
BRT	Put Calendar Spread		Sell Put near month, buy Put at same exercise price in far month ODAX BRT JAN07 FEB07 3900
CDIA	Call Diagonal Calendar Spread		Sell Call near month, buy Call at different exercise price in far month ODAX CDIA JAN07 3900 FEB07 4000
PDIA	Put Diagonal Calendar Spread		Sell Put near month, buy Put at different exercise price in far month ODAX PDIA JAN07 4000 FEB07 3900
RBUL	2x1 Ratio Call Spread		Sell Call, buy two Calls at higher exercise price ODAX RBUL JAN07 3900 - 4000
RBER	2x1 Ratio Put Spread		Sell Put, buy two Puts at lower exercise price ODAX RBER FEB07 3900 - 4000
CBUT	Call Butterfly	0	Buy Call, sell two Calls at higher exercise price, buy Call at equally higher exercise price ODAX CBUT JAN07 3800 - 3900 - 4000
PBUT	Put Butterfly	0	Buy Put, sell two Puts at higher exercise price, buy Put at equally higher exercise price ODAX PBUT FEB07 3800 - 3900 - 4000
IBUT	Iron Butterfly	0	Sell Put, buy Put and Call at higher exercise price, sell Call at equally higher exercise price ODAX IBUT JAN07 3800 - 3900 - 4000
CLAD	Call Ladder		Buy Call, sell Call at higher exercise price, sell Call at equally higher exercise price ODAX CLAD JAN07 3800 - 3900 - 4000
PLAD	Put Ladder		Sell Put, sell Put at higher exercise price, buy Put at equally higher exercise price ODAX PLAD JAN07 3800 - 3900 - 4000
CNV	Conversion/ Reversal		Buy Call, sell Put at same exercise price ODAX CNV JAN07 4000
COMBO	Combo		Sell Call, buy Put at lower exercise price ODAX COMBO FEB07 3900 - 3800

Available strategy types on Eurex Exchange (II)

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure and Example (Buy Perspective)
GUTS	Guts	2	Buy Call, buy Put at higher exercise price ODAX GUTS JAN07 3900 - 4000
BOX	Box	0	Buy Call, sell Put at same exercise price, buy Put and sell Call at higher exercise price ODAX BOX FEB07 4000 - 4100
CCOND	Call Condor	0	Buy Call, Sell Call at higher exercise price, sell Call at equally higher exercise price, buy Call at again equally higher exercise price ODAX CCOND JAN07 3800 - 3900 - 4000 - 4100
PCOND	Put Condor	0	Buy Put, Sell Put at higher exercise price, sell Put at equally higher exercise price, buy Put at again equally higher exercise price ODAX PCOND JAN07 3800 - 3900 - 4000 - 4100

Volatility Strategies*

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure and Example (Buy Perspective)
CALL-U	Call Volatility Trade	1	Buy Call, sell Underlying to give zero net delta ODAX 100 C JAN07 4000 versus 17 FDAX MAR07 @ 3853
PUT+U	Put Volatility Trade	1	Buy Put, buy Underlying to give zero net delta ODAX 100 P JAN07 3900 versus 47 FDAX MAR07 @ 3945
STD+U	Straddle versus Long Underlying	2	Buy Call, buy Put at same exercise price, buy Underlying to give zero net delta ODAX 100 STD JAN07 3900 versus 11 FDAX MAR07 @ 3953
STD-U	Straddle versus Short Underlying	2	Buy Call, buy Put at same exercise price, sell Underlying to give zero net delta ODAX 100 STD JAN07 3900 versus 12 FDAX MAR07 @ 3857

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure and Example (Buy Perspective)
STG+U	Strangle versus Long Underlying	2	Buy Put, buy Call at higher exercise price, buy Underlying ODAX STG JAN07 3900 - 4000 vs 9 FDAX MAR07 @ 3957
STG-U	Strangle versus Short Underlying	2	Buy Put, buy Call at higher exercise price, sell Underlying ODAX STG JAN07 3900 - 4000 vs 7 FDAX MAR07 @ 3945
BUL-U	Call Spread versus Underlying	0	Buy Call, sell Call at higher exercise price, sell Underlying to give zero net delta ODAX 100 BUL FEB07 3800 - 3900 versus 24 FDAX MAR07 @ 3857
BER+U	Put Spread versus Underlying	0	Buy Put, sell Put at lower exercise price, buy Underlying to give zero net delta ODAX 100 BER JAN07 4000 - 3900 versus 22 FDAX MAR07 @ 4086
BUL-P-U	Call Spread versus Short Put/ Short Underlying		Buy Call, sell Call at higher exercise price, sell Put at any exercise price, sell Underlying to give zero net delta ODAX 100 BUL JAN07 3900 - 4000 versus 100 P JAN07 4100 versus 54 FDAX MAR07 @ 4029
BER-C+U	Put Spread versus Short Call/ Long Underlying		Buy Put, sell Put at lower exercise price, sell Call at any exercise price, buy Underlying to give zero net delta ODAX 100 BER JAN07 4000 - 3900 versus 100 P JAN07 4100 versus 54 FDAX MAR07 @ 3978
BLT+U	Call Calendar Spread versus Long Underlying	2	Sell Call in near month, buy Call at same exercise price in far month, buy Underlying ODAX 100 STD JAN07 3900 vs 11 FDAX MAR07 @ 3953
BLT-U	Put Calendar Spread versus Short Underlying	2	Sell Call in near month, buy Call at same exercise price in far month, sell Underlying ODAX 100 BER JAN07 4000 - 3900 vs 12 FDAX MAR07 @ 4086

* Option Quantity Unit = 100; Option Quantity Unit for ODAX based strategies is 250.
In general, Option Quantity reflects contract specifications of the respective equity option; in the case of fixed income options, each volatility strategy unit encompasses 100 options.
Futures Quantity Unit can be defined on strategy creation between 1 and 100.

Flexible Options (I)

Choice of exercise price, exercise style, expiration date and settlement type

Flexible Equity Options

Equity Options by Country Segment	Minimum Trade Size	Currency	NEW!	Exercise Style		NEW!
			European	European	American	American
			Settlement Type			
			Cash	Physical	Physical	Cash
Austria	250	EUR	X	X	X	X
Finland	250	EUR	X	X	X	X
France	250	EUR	X	X	X	X
Germany	250	EUR	X	X	X	X
Italy	250	EUR	X	X	X	X
Netherlands	250	EUR	X	X	X	X
Russia	250	USD	X	X	X	X
Spain	250	EUR	X	X	X	X
Sweden	250	EUR	X	X	X	X
Switzerland	250	CHF	X	X	X	X
U.S.	250	EUR	X	X	X	X
Synthetic Flexible Equity Options IDs						
3rd digit of product code FOLLOWED by 6, 7, 8 or 9			6	7	8	9
Example: ALV...			ALV6	ALV7	ALV8	ALV9

Flexible Options on Exchange Traded Funds

Options on Exchange Traded Funds	Product ID	Minimum Trade Size	Currency	NEW!	Exercise Style		NEW!
				European	European	American	American
				Settlement Type			
				Cash	Physical	Physical	Cash
iShares DJ EURO STOXX 50® Options	EUN2	1,000	EUR	X	X	X	X
iShares DAX® (DE) Options	EXS1		EUR				
XMTCH on SMI® Options	XMT		CHF				
Synthetic Flexible Exchange Traded Funds Options IDs							
3rd digit of product code FOLLOWED by 6, 7, 8 or 9				6	7	8	9
Example: EXS1...				EXS6	EXS7	EXS8	EXS9

Standard Contract Specifications

Additional Flexible Contract Specifications

Flexible Options (II)

Choice of exercise price, exercise style and expiration date

Flexible Equity Index Options

Equity Index Options	Product ID	Minimum Trade Size	Exercise Style: European – Settlement Type: Cash	Exercise Style: American – Settlement Type: Cash
SLI® Options	OSLI	2,000	X	X
DJ EURO STOXX 50® Index Options DJ STOXX 50® Index Options DJ Global Titans 50℠ Index Options TecDAX® Options SMIM® Options	OESX OSTX OGTI OTDX OSMM	1,000	X	X
DAX® Options SMI® Options	ODAX OSMI	500	X	X
DJ STOXX® 600 Index Options DJ STOXX® Large 200 Index Options DJ STOXX® Mid 200 Index Options DJ STOXX® Small 200 Index Options DJ EURO STOXX® Select Dividend 30 Index Options MDAX® Options OMXH25 Options DJ EURO STOXX® Sector Index Options DJ STOXX® 600 Sector Index Options	O600 O2LA O2MI O2SM OEDV O2MX OFOX	250	X	X
Synthetic Flexible Equity Index Options IDs				
3rd digit of product code REPLACED by 7 or 8			7	8
Example: OESX ...			OE7X	OE8X

Standard Contract Specifications

Additional Flexible Contract Specifications

Flexible Futures (I)

Choice of maturity date and settlement type

Flexible Single Stock Futures

NEW! Single Stock Futures by Country Segment	NEW! Minimum Flex Futures Trade Size	NEW! Currency	NEW! Settlement Type Cash	NEW! Settlement Type Physical
Austria	1	EUR	X	X
Belgium	1	EUR	X	-
Finland	1	EUR	X	X
France	1	EUR	X	X
Germany	1	EUR	X	X
Greece	1	EUR	X	-
Ireland	1	EUR	X	-
Italy	1	EUR	X	X
Netherlands	1	EUR	X	X
Norway	1	EUR	X	-
Russia	1	USD	X	-
Portugal	1	EUR	X	-
Spain	1	EUR	X	-
Sweden	1	EUR	X	-
Switzerland	1	EUR	X	X
U.K.	1	GBP	X	-
Synthetic Flexible Single Stock Futures IDs				
3rd digit of product code REPLACED by 4 or 5			4	5
Example: ALVF ...			AL4F	AL5F
Deviation from standard synthetic Flexible Single Stock Futures IDs:				
4th digit of product code REPLACED				
Example: ALTF ...			ALT4	ALT5

* as of March10 also 9 physical settled Spanish SSF available

Flexible Futures (II)

Choice of maturity date

Flexible Equity Index Futures

NEW! Equity Index Futures	NEW! Product ID	NEW! Minimum Flex Futures Trade Size	NEW! Settlement Type Cash
SLI® Futures	FSLI	2,000	X
DJ EURO STOXX 50® Index Futures DJ Global Titans 50SM Index Futures TecDAX® Futures SMIM® Futures	FESX FGTI FTDX FSMM	1,000	X
SMI® Futures	FSMI	500	X
DJ STOXX 50® Index Futures DJ STOXX® 600 Index Futures DJ STOXX® Large 200 Index Futures DJ STOXX® Mid 200 Index Futures DJ STOXX® Small 200 Index Futures DAX® Futures MDAX® Futures OMXH25 Futures DJ EURO STOXX® Select Dividend 30 Index Futures DJ EURO STOXX® Sector Index Futures DJ STOXX® 600 Sector Index Futures	FSTX F600 F2LA F2MI F2SM FDAX F2MX FFOX FEDV	250	X
RDXxt® USD – RDX Extended Index Futures	FRDX	100	X
Synthetic Flexible Equity Index Futures IDs			
3rd digit of product code REPLACED by 4			4
Example: FESX ...			FE4X

Standard Contract Specifications

Aditional Flexible Contract Specifications