

# SENSEX Futures and Options – Trade India's benchmark on Eurex Exchange.

Eurex Exchange expanded its Asian opportunities, when it listed futures and options on the SENSEX index in October 2010. With this, we offer our customers an offshore access to the Indian market as well as an after-hours trading opportunity to one of the fastest growing emerging markets that has witnessed unprecedented levels of growth. With the launch of futures and options on the Indian blue chip index SENSEX, Eurex Exchange again broadens its offering in international equity indexes.

To complement our Asian trading opportunities in Japanese and Korean products, we have partnered with the Bombay Stock Exchange (BSE) to offer derivatives on India's benchmark index. The listing of SENSEX Futures and Options provides Eurex participants with easy access to the Indian market without having to worry about lengthy admission processes due to foreign investors' restrictions.

## The Indian growth story

Currently, India is the second-strongest growing economy worldwide. In terms of GDP, India is already breaking into the global top ten, overtaking countries like Spain and Canada. India will also most likely be the country with the highest population in 2025.

With this tremendous growth it is also developing into one of the leading financial markets. Yet the high regulation of the Indian markets makes access difficult for foreign investors. Therefore off shore cash-settled index products are a more efficient way of trading this promising market.

## Index facts

Launched in 1986, SENSEX is not only India's oldest but also most recognized benchmark index. Pooling India's first-

rate companies, the index tracks the daily performance of the 30 largest and most heavily traded companies across all key sectors listed on Bombay Stock Exchange.

Since 2003 SENSEX has been calculated on the basis of a free-float market capitalization methodology. Every six months, the index weighting is adjusted. In fact, the value-weighted blue chip index represents approximately half of the float-adjusted market capitalization of all stocks traded on BSE.

## Product facts

Eurex Exchange will be the first exchange to offer Indian index options outside India. Offering futures and options on one single platform allows market participants to use combined trading strategies (e.g. volatility trades) and permits cross margining between the two contracts. With the launch of SENSEX derivatives we are creating new opportunities for customers seeking an appropriate hedging tool for Indian exposure or arbitrage trading possibilities with regional exchanges. As an example, customers are able to arbitrage SENSEX Futures at Eurex against Nifty Futures offered by the SGX, whereby both indexes have a correlation of 99.5 percent.

### About Bombay Stock Exchange

BSE is one of India's leading exchange groups and has played a pre-eminent role in the development of the Indian capital market. The oldest Indian exchange provides an efficient and transparent market for trading in equities, debt instruments and derivatives. BSE also acts as an index provider, calculating and disseminating, amongst others, the SENSEX. Since 2007, Deutsche Börse holds a five percent stake in the Bombay Stock Exchange.

Eurex SENSEX Futures and Options will be denominated in U.S. dollar and settled in cash, based on the original index level of the SENSEX calculated in Indian Rupees. Covering additional hours of the global trading day, the listing of SENSEX derivatives at a European exchange will provide more flexibility to our customers in Asia and in the global Eurex network. Market participants will not only benefit from extended trading hours but also from even more liquid markets during overlapping trading hours.

#### Vendor codes

	Bloomberg code	Reuters ric
Sensex Futures	SNSA <Index>	<0#FSEN:>
Sensex Options	OSEN <Index> OMON	<0#FSEN*.EX>

#### Market-Making

Eurex Exchange offers different Market-Making schemes, for those who support liquidity during the overlap of Indian and European trading hours (three hours in winter, four during European summer) and for those who cover the after-hours as well, but with wider spreads. The programs will be running until the end of December 2011. Everyone interested in the details of these schemes should get in touch with the contact mentioned below.

#### Block trading

The new SENSEX contracts are also admitted for Eurex block trading at a minimum trading size of 100 contracts as well as for the Eurex Flexible Contracts and Eurex Vola Trade facilities.

#### Contract specifications SENSEX Futures and Options

	Eurex Exchange	Bombay Stock Exchange
Underlying instrument	SENSEX	SENSEX
Underlying BBG code	SENSEX <Index>	SENSEX <Index>
Index type	Price index	Price index
Currency	USD	INR
Product type	Quanto	Standard
Index value	18,000 as of May 11	18,000 as of May 11
Index calculation time	Real-time	Real-time
Contract size	USD 1	INR 15
Contract value	USD 18,000	INR 270,000 (= USD 6,000 or EUR 4,200)
Settlement	Cash settlement	Cash settlement
Final Settlement Price	Closing index on the last Thursday. (The single prices included in the closing index are VWAPs over the last 30 minutes of trading.)	Closing index on the 3rd last Thursday. (The single prices included in the closing index are VWAPs over the last 30 minutes of trading.)
Minimum price movement	<b>Futures:</b> 5 points, representing a value of USD 5 <b>Options:</b> 1 point, representing a value of USD 1	1 point, representing a value of INR 15 (= USD 0.3 or EUR 0.2)
Contract terms	<b>Futures:</b> The three nearest months + one more within the cycle March, June, September, December <b>Options:</b> The three nearest calendar months, three next quarters and two next semi-annual expiries (8 expiries)	<b>Futures:</b> The three nearest calendar months <b>Options:</b> The three nearest calendar months, three next quarters and five next semi-annual expiries (11 expiries)
Trading hours	08:00 – 22:00 CET	05:30 – 12:00 CET

#### For further information please contact

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