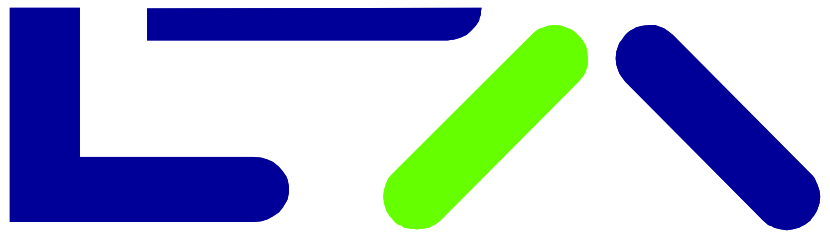


X-pand into the Future



eurex circular 076/14

Date: 23 April 2014
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
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Eurex Exchange's T7: Introduction of release 2.5 on 24 November 2014

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Content may be most important for:

Ü All departments

Attachments:

none

Summary:

Eurex Exchange is planning to launch release 2.5 of Eurex Exchange's T7 on **24 November 2014**. The simulation period for release 2.5 is currently planned to start on 26 September 2014.

This circular provides Trading Participants and Independent Software Vendors (ISVs) with an overview of the enhancements planned for release 2.5, including:

- enhancement of the EURIBOR futures functionality
- introduction of standard futures strategies
- support of inter-product spreads.

An implementation and communication schedule together with the release 2.5 milestones is also included in this circular.



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Eurex Exchange’s T7: Introduction of release 2.5 on 24 November 2014

Eurex Exchange is planning to launch release 2.5 of Eurex Exchange’s T7 on 24 November 2014. An overview of the release content is provided in this circular.

Eurex Exchange is committed to providing Participants and ISVs with information updates throughout the development of release 2.5 in order to support adequate planning and to ensure a successful launch. Eurex Exchange’s T7 documentation currently available on the website www.eurexchange.com will be updated for release 2.5 and published well in advance of the launch. Please see the implementation and communication schedule in section 2.

To ensure effective information distribution, we kindly ask Participants to register contact persons in the [Member Section](#) on www.eurexchange.com.

1 Functional and technical enhancements

Release 2.5 of Eurex Exchange’s T7 will include important enhancements, such as:

- enhancement of the EURIBOR futures functionality
- introduction of standard futures strategies
- support of inter-product spreads.

Additionally, some smaller functional and technical improvements will also be implemented.

1.1 Major enhancements

1.1.1 Enhancement of the EURIBOR futures functionality

With the introduction of T7 release 2.5, Eurex Exchange will offer new complex instrument types especially designed for money market derivatives.

Hedging in money market derivatives typically requires either buying or selling several outright contracts with consecutive maturity dates at once to consider a time period longer than the time period of the short-term interest rate of the corresponding money market futures contract.

To support typical hedging strategies in EURIBOR derivatives, Eurex Exchange will introduce the following new strategy types:

- **Packs:** A pack is a four leg futures strategy which contains consecutive quarterly maturity dates covering a time period of one year. All legs of a pack are bought with a ratio of one lot. Packs are created automatically by the T7 system. The following packs will be supported:

Pack combinations	Description
White pack	First leg is identical either to the front contract (first quarterly maturity date), to the 2nd, 3rd or 4th maturity date.
Red pack	First leg is identical either to the 5th, 6th, 7th or 8th maturity date.
Green pack	First leg is identical either to the 9th, 10th, 11th or 12th maturity date.
Blue pack	First leg is identical either to the 13th, 14th, 15th or 16th maturity date.
Gold pack	First leg is identical either to the 17th, 18th, 19th or 20th maturity date.

- **Bundles:** A bundle is a futures strategy containing consecutive quarterly maturity dates across two or more years where all legs are bought with a ratio of one lot. The first leg of a bundle is either the first, second, third or fourth maturity date. Bundles are created automatically by the T7 system. The following bundles will be supported:

Bundle combinations	Description
2-year bundle	8 leg strategy covering a time period of 2 years.
3-year bundle	12 leg strategy covering a time period of 3 years.
4-year bundle	16 leg strategy covering a time period of 4 years.
5-year bundle	20 leg strategy covering a time period of 5 years.

- **Strips:** A strip is a futures strategy type similar to packs and bundles with at least four and at most 20 legs. All legs are bought with a ratio of one lot. The legs are built up with their maturity dates in ascending order but not necessarily in a consecutive way. Strips are not automatically created by the T7 system; they can be created by traders. Strips are always temporary and are cancelled during end-of-day processing.

Packs, bundles and strips will be quoted in “quarter-tick” price steps (0.0025) using **averaged net change pricing**, i.e. the price that is quoted in terms of difference between the leg trade prices and the previous day’s settlement prices of the leg instruments.

Packs, bundles and strips will support direct matching only, i.e. matching considers only orders in the same order book.

The order validity for packs, bundles and strips will be limited to good-for-day (GFD).

1.1.2 Standard futures strategies

Analogous to the complex instrument type “standard options strategies” for options products, Eurex Exchange will introduce “standard futures strategies”.

T7 will support two instrument sub-types of standard futures strategies: butterfly and condor.

Standard futures strategies will not be automatically created by the T7 system; they can be created by traders.

1.1.3 Inter-product spreads

With T7 release 2.5, Eurex Exchange’s T7 system will support trading of inter-product spreads for futures. This new functionality is planned to be used initially by the European Energy Exchange (EEX).

An inter-product spread is a new type of complex instrument, which has two or more leg instruments belonging to different futures products. The inter-product spread allows Participants to execute trading strategies, which involve the simultaneous buying and selling of contracts that belong to different futures products, without a leg execution risk.

Inter-product spread instruments will always be set up by the exchange and trade in their own order books as it is the case for the established futures spreads. In a similar way to futures spreads, inter-product spreads may be synthetically integrated with their leg markets. In fact, EEX plans to have all their inter-product spreads to be synthetically integrated with the leg markets giving spread traders access to the liquidity of the leg markets.

1.2 Impact on existing interfaces

In addition to the following enhancements planned for the existing interfaces, Participants should expect minor layout changes.

1.2.1 Eurex Enhanced Trading Interface

Eurex Enhanced Trading Interface (Eurex ETI) for T7 release 2.5 will support the creation of strips and standard futures strategies, as well as the order and quote maintenance in all new complex instrument types.

An additional timestamp will be added to all Eurex ETI notifications.

The messages "Replace Order" and "Replace Order Multi Leg" will support the change of the Owning User of an order.

The two existing, non-standard fields for regulatory compliance *RegulatoryID* (Tag 25029) and *RegulatoryText* (Tag 25015) will be renamed to *ComplianceID* (Tag 376) and *ComplianceText* (Tag 2404) in accordance with their recent standardisation by the FIX Protocol organisation.

In addition, the format of *ComplianceID* (Tag 376) will be extended from 4 to **8 byte** to support vendors in defining a unique regulatory ID.

With T7 release 2.5 a new Eurex ETI version (2.5) will be introduced. This version will be backward compatible to the Eurex ETI version 2.0 (used by both, T7 release 2.0 and release 2.1).

1.2.2 Eurex FIX Gateway

Eurex FIX Gateway for T7 release 2.5 will support the creation of strips and standard futures strategies, as well as the order maintenance in all new complex instrument types.

Market reset events (exchange system failures) will be communicated via "TradingSessionStatus" (msgType 'h') with *TradSesEvent* (Tag 1368) = 102 (MARKET_RESET).

The two existing, non-standard fields for regulatory compliance *RegulatoryID* (Tag 25029) and *RegulatoryText* (Tag 25015) will be renamed to *ComplianceID* (Tag 376) and *ComplianceText* (Tag 2404) in accordance with their recent standardisation by the FIX Protocol organisation.

In addition, the format of *ComplianceID* (Tag 376) will be extended from 4 to **8 byte** to support vendors in defining a unique regulatory ID.

The Eurex FIX Gateway for T7 release 2.5 is not backward compatible.

1.2.3 Market and reference data interfaces

For release 2.5 no backward compatibility is provided for the market data and reference data interfaces. The template ID of the packet header will be increased.

Eurex Reference Data Interface (Eurex RDI)/Eurex Reference Data File (Eurex RDF):

Eurex RDI and Eurex RDF provide reference data information related to the new instrument types:

- packs and bundles
- strips
- standard futures strategies
- inter-product spreads.

Eurex Enhanced Market Data Interface (Eurex EMDI)/Eurex Market Data Interface (Eurex MDI):

Eurex EMDI and Eurex MDI will support public market data for all new instrument types.

Legs of synthetically matched inter-product spread instruments may have synthetic matching opportunities that involve inter-product spread instruments. The corresponding synthetic prices will be published via the Eurex EMDI and Eurex MDI interface with the help of a new *TopOfBookImplied* data message.

Eurex EMDI and Eurex MDI will be enhanced in release 2.5 to improve trade volume reporting. Message layouts will provide the new value “B” (Trade volume) for the existing field *MDEntryType* in order to present total trade volume in its own entry.

Eurex Enhanced Order Book Interface (Eurex EOBI):

The Eurex EOBI will support public market data for all new complex instrument types.

1.2.4 Eurex Trader GUI and Eurex Admin GUI

The Eurex Trader GUI will be enhanced in release 2.5 to support the new instrument types for order maintenance. The new instrument types will not be available for the Wholesale Functionality.

A new PIN Service will be introduced to provide authentication in contact with Eurex Market Supervision. Service Administrators will be able to maintain PINs and PIN rights for their business unit and its users in the Eurex Admin GUI. Traders will be able to view their relevant PIN (either business unit or user) and PIN rights in the Eurex Trader and Eurex Admin GUIs.

IMPORTANT: In release 2.5, the Windows XP operating system will no longer be supported for the Eurex GUIs.

1.2.5 Reports

Existing reports will be enhanced to include data for the new instrument types.

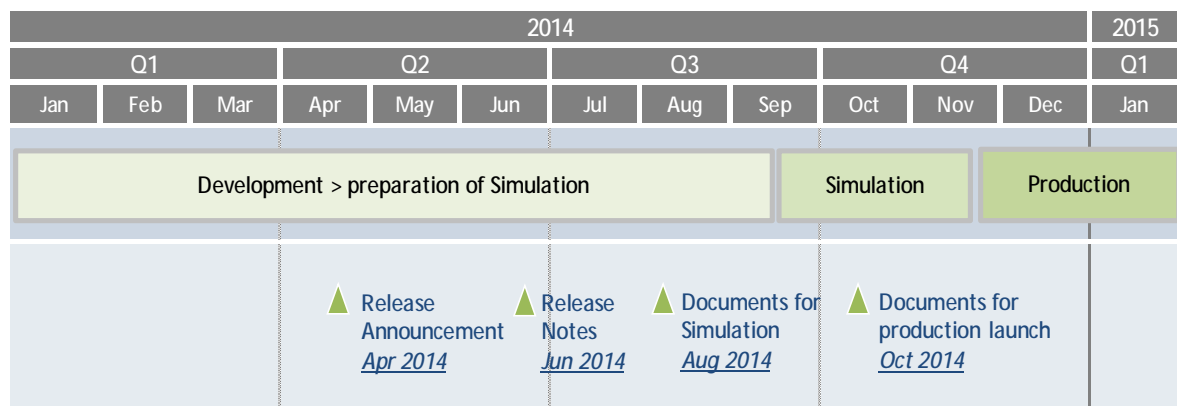
1.2.6 Functional product and instrument files

The functional product and instrument files on the Eurex website will be enhanced to cover the new instrument types, instrument sub-types and the new order profile “Good-for-day” (GFD).

2 Implementation and communication schedule

The production launch of release 2.5 of Eurex Exchange’s T7 is currently planned for 24 November 2014.

The following diagram gives an overview of the introduction schedule:



Eurex Exchange will provide a dedicated simulation environment in order to give Trading Participants the opportunity to perform comprehensive testing of their trading applications, independent from Eurex Exchange’s production environment. The simulation period for release 2.5 is currently planned to start on 26 September 2014.

In June 2014, Eurex Exchange will publish detailed release notes listing all functional and technical enhancements that will be available in release 2.5.

The following existing documents will be revised for release 2.5. Preliminary versions (identified by **u**) will be published in August 2014 and final versions (identified by **~**) will be published in October 2014 prior to the production launch.

Eurex Exchange’s T7	Q2/2014			Q3/2014			Q4/2014		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Release Notes									
Eurex Exchange’s T7 Release Notes			u			~			
Simulation									
Permanent Simulation Guide						~			
Overview and functionality									
Functional and Interface Overview					u		~		
Functional Reference						~			
Eurex GUI solutions									
Eurex Trader and Admin GUI – Manual					u		~		
Eurex Trader and Admin GUI – Installation Manual					u		~		
Trading interfaces									
Eurex Enhanced Trading Interface – Manual					u		~		
Eurex Enhanced Trading Interface – XML Representation					u		~		
Eurex FIX Gateway – FIX 4.2 and 4.4 Manual					u		~		
Eurex FIX Gateway – FIXimate FIX 4.2 and 4.4					u		~		
Eurex FIX Gateway – FPL Repository					u		~		
Market and reference data interfaces									
Eurex Market + Reference Data Interfaces, Manual					u		~		
Eurex Market + Reference Data Interfaces, FAST Templates					u		~		
Eurex Reference Data File – FIXML Schema Files					u		~		
Eurex Extended Market Data Services – Manual					u		~		
Eurex Extended Market Data Interfaces, FAST Templates					u		~		
Eurex Enhanced Order Book Interface – Manual					u		~		
Eurex reports									
Eurex XML Reports – Reference Manual					u		~		
Network access									
Eurex Network Access Manual					u		~		

The documents will be available on the Eurex website www.eurexexchange.com under the link:

[Technology > Eurex Exchange’s T7 > System documentation > Release 2.5](#)

Please note that dates are preliminary and subject to change.

3 Contacts

If you have any questions or require further information, please contact your Trading & Clearing Services Key Account Manager. Alternatively, please contact your Technical Key Account Manager using your VIP number or via e-mail to: cts@eurexchange.com.

23 April 2014