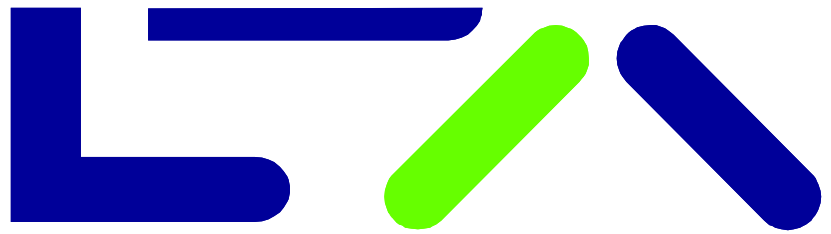


X-pand into the Future



eurex circular 248/14

Date: 21 November 2014
Recipients: All Trading Participants of Eurex Deutschland and Eurex Zürich and Vendors
Authorised by: Mehtap Dinc

EURIBOR futures: Introduction of packs, bundles, strips and new standard futures strategies; transaction fee waiver for packs and bundles

Related Eurex circulars: 076/14, 238/14

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Content may be most important for:

➤ All departments

Attachments:

1. Updated sections of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich
2. Eurex Clearing circular 165/14

Summary:

The Management Board of Eurex Deutschland and the Executive Board of Eurex Zürich AG decided to implement, together with T7 Release 2.5, features for EURIBOR futures which will significantly facilitate trading in money market contracts.

From **8 December 2014**, Participants will be able to use packs, bundles and strips as well as new standardised futures strategies. Please note that activation of the new features will be effective as of 8 December 2014 and not as of 1 December 2014, as announced in Eurex circular 238/14.

In the context of the introduction of packs, bundles and strips, the tick size of the EURIBOR future (FEU3) on product level will be reduced from 0.005 to 0.0025. Accordingly, the tick value will decline from EUR 12.50 to EUR 6.25 and the display of decimals will be increased from three to four decimals. The minimum price change for outright contracts (simple instruments) and standardised futures strategies (futures calendar spreads and the newly introduced futures strategies "butterfly" and "condor") remains unchanged at 0.005. For the newly introduced standardised futures strip strategies (packs and bundles) and the non-standardised futures strip strategies (strips), the minimum price change will be 0.0025.

To incentivise trading in the new product strategies, transaction fees for packs and bundles will be waived from **8 December 2014** until **30 June 2015**. From **1 July 2015**, packs and bundles will be available for trading at reduced transaction fees compared to single outright contracts.

This circular contains information related to trading of the new products as well as to the amended sections of the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG. Information on clearing of the new products as well as the updated sections of the Price List for Eurex Clearing AG are part of Eurex Clearing circular 165/14 which we are providing to our Trading Participants as attachment 2.



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EURIBOR futures: Introduction of packs and bundles, strips and new standard futures strategies; transaction fee waiver for packs and bundles

With the introduction of T7 release 2.5, Eurex Exchange will offer new complex instrument types especially designed for money market derivatives which will significantly facilitate trading in money market contracts.

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: Starting 8 December 2014, packs, bundles, strips and new standard futures strategies will be available for the Participants. Please note that activation of the new features will be effective as of 8 December 2014 and not as of 1 December 2014, as announced in Eurex circular 238/14.

- **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 two 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 the trader. Strips are always good-for-day (GFD) 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**, whereby the averaged net change price is defined as the sum of the differences between the leg prices and the previous day’s settlement prices of the corresponding leg instruments divided by the number of legs used in the pack, bundle or strip.

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).

Standardised futures strategies

In line with the complex instrument type “standardised options strategies” for options products, Eurex Exchange will introduce “standardised futures strategies”.

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

Standardised futures strategies will not be automatically created by the T7 system; they can be created by the trader.

Amendment of tick size, tick value, minimum price gradation and number of decimals

Please note that in the context of the introduction of packs, bundles and strips, the tick size for the EURIBOR future (FEU3) on product level will be reduced from 0.005 to 0.0025. By halving the tick size, the tick value will decline from EUR 12.50 to EUR 6.25. At the same time, the decimals will be increased from three to four in order to enable the display of the reduced tick size.

The minimum price change for limit orders and quotes in outright contracts (simple instruments), the standardised futures strategies (calendar spreads and newly introduced strategies butterfly and condor) remains unchanged at 0.005. The minimum price gradation for limit orders and quotes in the standardised futures strip strategies (packs and bundles) and in the non-standardised futures strip strategies (strips) will be 0.0025.

The following table provides an overview of the different instruments of the contract and their minimum price gradation:

FEU3 tick size on product level	Minimum price gradation
EURIBOR futures (FEU3)	0.0025

FEU3 tick size on instrument type level	Minimum price gradation
Simple instruments	
Outright contracts	0.005
Complex instruments	
Standardised futures strategies (Futures calendar spreads, butterflies, condors)	0.005
Standardised futures strip strategies (packs und bundles)	0.0025
Non-standardised futures strip strategies (strips)*	0.0025

* Please be aware that after conclusion of a trade in a strip with an odd number of legs, it may occur in the process of splitting the trade into the individual leg trades that some of these leg trades are booked with a price gradation of 0.0025.

Fee model and transaction fee waiver

To incentivise trading in the new product strategies, transaction fees according to No. 3.2.4 of the Price List for Eurex Clearing AG for packs and bundles will be waived from 8 December 2014 until 30 June 2015.

From 1 July 2015, the following transaction fees for packs and bundles with price edges compared to outright leg trades will be charged:

Pack combinations	Fee per combination after rebate	Fee per leg after rebate	Benefit vs. single outright legs
White pack	EUR 0.64	EUR 0.16	EUR 0.16
Red pack	EUR 0.60	EUR 0.15	EUR 0.20
Green pack	EUR 0.56	EUR 0.14	EUR 0.24
Blue pack	EUR 0.16	EUR 0.04	EUR 0.64
Golden pack	EUR 0.08	EUR 0.02	EUR 0.72

Bundle combinations	Transaction fee per combination after rebate	Transaction fee per leg after rebate	Benefit vs. single outright legs
2-year bundle	EUR 0.96	EUR 0.12	EUR 0.64
3-year bundle	EUR 0.96	EUR 0.08	EUR 1.44
4-year bundle	EUR 0.96	EUR 0.06	EUR 2.24
5-year bundle	EUR 0.80	EUR 0.04	EUR 3.20

If you have any questions or require further information, please contact Joachim Heinz at tel. +49-69-211-1 59 55 or e-mail: joachim.heinz@eurexchange.com or Stuart Heath at tel. +44-207 862-72 53 or e-mail: stuart.heath@eurexchange.com.

21 November 2014

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

1. Part: Contract Specifications for Futures Contracts

1.1 Subpart: Contract Specifications for Money Market Futures Contracts

[...]

1.1.5 Price Gradations

(1) ~~The price of a money market Three-Month EURIBOR Futures Contract shall be quoted as a percentage with three-four decimal places on a basis of 100 less interest rate traded. The minimum price change ("Tick") for the product shall be 0.0025 points; this represents a value of EUR ~~42.506.25~~ for the Three-Month-EURIBOR Futures and the One-Month EONIA Future as well as EUR 5.83 for the EUR Secured Funding Future~~

=

The minimum price change („Tick“) for the different instrument types of the contract is:

<u>Instrument Type</u>	<u>Minimum Price Change</u>
<u>Simple Instruments</u>	
<u>Outright Contracts</u>	<u>0,005</u>
<u>Complex Instruments</u>	
<u>Standardized Futures-Strategies¹</u>	<u>0,005</u>

¹ Futures-Calendar-Spreads, Butterflies, Condors

**Contract Specifications for Futures Contracts and
Options Contracts at Eurex Deutschland and Eurex Zürich**

<u>Instrument Type</u>	<u>Minimum Price Change</u>
<u>Simple Instruments</u>	
<u>Outright Contracts</u>	<u>0,005</u>
<u>Complex Instruments</u>	
<u>Standardized Futures-Strip-Strategies²</u>	<u>0,0025</u>
<u>Non-Standardized Futures-Strip-Strategies³</u>	<u>0,0025</u>

- (2) The price of a One-Month EONIA Futures Contract shall be quoted as a percentage with three decimal places on a basis of 100 less interest rate traded. The minimum price change ("Tick") shall be 0.005 points; this represents a value of EUR 12.50.
- (2) The price of a EUR Secured Funding Futures Contract shall be quoted as a percentage with three decimal places on a basis of 100 less interest rate traded. The minimum price change ("Tick") shall be 0.005 points; this represents a value of EUR 5.83.

[...]

² Packs, Bundles

³ Strips; After conclusion of a trade in a strip with an odd number of legs, it may occur in the process of splitting the trade into the individual leg trades that some of these leg trades are booked with a price gradation of 0.0025.

clear to trade



eurex clearing circular 165/14

Date: 21 November 2014
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Laux

EURIBOR futures: Clearing of packs, bundles, strips and new standardised futures strategies

Related Eurex circulars: 076/14, 248/14

Contact: Derivatives Clearing, T +49-69-211-1 12 50, clearing@eurexclearing.com

Content may be most important for:

☞ All departments

Attachment:

Updated sections of the Price List for Eurex Clearing AG

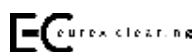
Summary:

Effective **8 December 2014**, Eurex Clearing will offer clearing of the new product strategies in EURIBOR futures introduced at Eurex Exchange in the context of T7 Release 2.5. Packs, bundles, strips as well as new standardised futures strategies will be introduced.

To incentivise trading in the new product strategies, transaction fees for packs and bundles will be waived from 8 December 2014 until 30 June 2015. From 1 July 2015, packs and bundles will be available for trading at reduced transaction fees compared to single outright contracts.

This circular contains clearing-related information on the new product strategies and amendments to the Price List for Eurex Clearing AG (Price List). Information on trading of the new product strategies and amendments to the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG are contained in Eurex circulars 076/14 and 248/14.

The amended sections of the Price List will come into effect on 8 December 2014.



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Thomas Laux, Erik Tim Müller

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HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht
Frankfurt/Main

EURIBOR futures: Clearing of packs, bundles, strips and new standardised futures strategies

Effective 8 December 2014, Eurex Clearing will offer clearing of the new product strategies in EURIBOR futures introduced at Eurex Exchange in the context of T7 Release 2.5. Packs, bundles, strips as well as new standardised futures strategies will be introduced.

To incentivise trading in the new product strategies, transaction fees for packs and bundles will be waived from 8 December 2014 until 30 June 2015. From 1 July 2015, packs and bundles will be available for trading at reduced transaction fees compared to single outright contracts. The following tables show the transaction fee model:

Pack combinations	Transaction fee per combination after rebate	Transaction fee per leg after rebate	Benefit vs. single outright legs
White pack	EUR 0.64	EUR 0.16	EUR 0.16
Red pack	EUR 0.60	EUR 0.15	EUR 0.20
Green pack	EUR 0.56	EUR 0.14	EUR 0.24
Blue pack	EUR 0.16	EUR 0.04	EUR 0.64
Golden pack	EUR 0.08	EUR 0.02	EUR 0.72

Bundle combinations	Transaction fee per combination after rebate	Transaction fee per leg after rebate	Benefit vs. single outright legs
2-year bundle	EUR 0.96	EUR 0.12	EUR 0.64
3-year bundle	EUR 0.96	EUR 0.08	EUR 1.44
4-year bundle	EUR 0.96	EUR 0.06	EUR 2.24
5-year bundle	EUR 0.80	EUR 0.04	EUR 3.20

Information on trading of the new product strategies and amendments to the relevant Rules and Regulations of Eurex Deutschland and Eurex Zürich AG are contained in Eurex circulars 076/14 and 248/14.

The amended sections of the Price List (see attachment) will come into effect on 8 December 2014.

Effective 8 December 2014, the full updated Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations > Price list](#)

Pursuant to Number 16 Paragraph 3 of the Price List, the amendments and additions to the Price List as communicated with this circular shall be deemed to have been accepted by the respective Clearing Member unless such Clearing Member's written objection is submitted to Eurex Clearing AG within ten (10) business days after publication.

21 November 2014

Price List for Eurex Clearing AG

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

3. Transaction Fees for Derivatives Transactions (Transactions on the Eurex Exchanges and OTC-Transactions)

[...]

3.2 Rebates

[...]

3.2.4 Rebates for Order Book Transactions in Money Market Futures Strategies

<u>Strategy</u>	<u>Currency</u>	<u>Fee per Strategy</u>	<u>Number of Contracts</u>	<u>Fee per Contract</u>
Three-Month EURIBOR Futures				
<u>Packs</u>				
<u>White Pack</u>	<u>EUR</u>	<u>0.64</u>	<u>4</u>	<u>0.16</u>
<u>Red Pack</u>	<u>EUR</u>	<u>0.60</u>	<u>4</u>	<u>0.15</u>
<u>Green Pack</u>	<u>EUR</u>	<u>0.56</u>	<u>4</u>	<u>0.14</u>
<u>Blue Pack</u>	<u>EUR</u>	<u>0.16</u>	<u>4</u>	<u>0.04</u>
<u>Gold Pack</u>	<u>EUR</u>	<u>0.08</u>	<u>4</u>	<u>0.02</u>
<u>Bundles</u>				
<u>2-Year Bundle</u>	<u>EUR</u>	<u>0.96</u>	<u>8</u>	<u>0.12</u>
<u>3-Year Bundle</u>	<u>EUR</u>	<u>0.96</u>	<u>12</u>	<u>0.08</u>
<u>4-Year Bundle</u>	<u>EUR</u>	<u>0.96</u>	<u>16</u>	<u>0.06</u>
<u>5-Year Bundle</u>	<u>EUR</u>	<u>0.80</u>	<u>20</u>	<u>0.04</u>

[...]