

# Options on Euro-Buxl<sup>®</sup> Futures

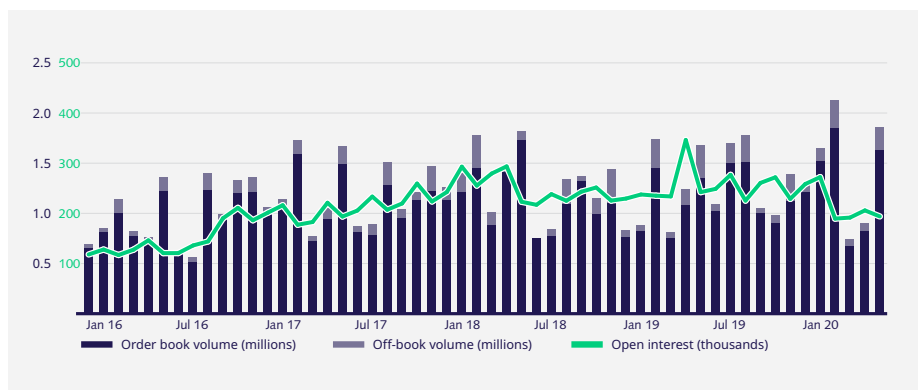
**The Eurex options on Euro-Buxl<sup>®</sup> Futures (OGBX) provide market participants an efficient and cost-effective listed instrument that extends trading and hedging opportunities in the 30-year area of the German yield curve.**

The introduction of Buxl Options marks the final step in completing Eurex' interest rate offering on German government bonds with futures and options then available on Schatz, Bobl, Bund and Buxl.

## STRONG INTEREST IN THE FAR END OF THE CURVE

The very long end of the German yield curve has benefited from the quantitative easing program of the European central bank, as investors turn to longer duration exposure in search of yield. Today, the 30-year point of the yield curve is the only remaining tenor that has a positive yield. This is evidenced in the positive development of the Euro-Buxl<sup>®</sup> Futures (FGBX).

### Volume, open interest and liquidity development in Euro-Buxl<sup>®</sup> Futures



Average daily volume in Q1 2020 was 78,000 contracts per day, up by 46% compared to 2019. Open interest has doubled in the past two years, reaching up to 300,000 contracts. A solid liquidity picture in the underlying contract provides a platform for the listing of options, enabling investors to further enhance their fixed income strategies.

## What are the key benefits?



### Yield opportunity

Only part of the German yield curve with positive yields and therefore actively traded.



### Hedge risk

Use options to hedge risks from government bond auctions.



### Return enhancement

Selling covered calls or shorting volatility to enhance returns.



### Spread trading

Trade the volatility spread between different points along the German curve or between the German and US 30-yr points.



### Full product coverage

Eurex now covers the entire German yield curve with futures and options products on Schatz, Bobl, Bund and Buxl.



## Contract specifications\*

Options on Euro-Buxl® Futures	
<b>Product ID</b>	OGBX
<b>Contract standard</b>	Futures on a notional long-term debt instrument issued by the Federal Republic of Germany with a remaining term of 24 to 35 years and a four percent coupon.
<b>Contract size</b>	One Euro-Buxl® Futures contract
<b>Price quotation / minimum price change</b>	Price quotation is based on points with two decimal places. 0.02 Points / EUR 20
<b>Settlement</b>	The exercise of an option on Euro-Buxl® Futures results in the creation of a corresponding position in the Euro-Buxl® Futures for the option buyer as well as the seller to whom the exercise is assigned.
<b>Last trading day</b>	Last trading day shall be the last Friday prior to the first calendar day of the expiration month, that is followed by at least two exchange days prior to the first calendar day of the expiration month. Unless at least two exchange days lie between the last Friday of a month and the first calendar day of the expiration month, the last trading day shall be the Friday preceding the last Friday of a month. If such Friday is not an exchange day, then the exchange day immediately preceding such Friday shall be the last trading day. Close of trading in all option series on the last trading day is at 17:15.
<b>Exercise</b>	American style: exercise until 18:30 CET on any exchange day, or until 18:00 CET on the last trading day.
<b>Exercise prices</b>	1.00 percentage points
<b>Contract months</b>	Up to 6 months: The three nearest successive calendar months, as well as the following quarterly month of the March, June, September and December cycle thereafter.
<b>Trading hours</b>	8:00 to 17:15 CET
<b>Market making</b>	9:00 to 17:15 CET (85% coverage required)
<b>Option premium</b>	The premium is settled using the futures-style method.
<b>Vendor code</b>	Bloomberg: UBA Cmdty OMON

\* For more details see Eurex circular 047/2020.

## Wholesale offering

The options on Euro-Buxl® Futures can also be traded outside the order book on a bilateral basis, and subsequently booked to Eurex Clearing using our Eurex T7 Entry Services (TES).

<b>Block trading</b>	Members can enter bilaterally agreed off-book transactions into the trading and clearing system.
<b>Vola trades</b>	Allows members to execute an on-exchange or off-book option transaction and simultaneously agree on the off-book purchase/sale of the underlying futures contract.
<b>Minimum entry size for block trades</b>	50 contracts

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