With the NextGen ETD logic launch, Eurex offers daily expiries of physically settled single stock futures that can be used as a cash leg for volatility strategies. It enables delta-neutral trades in a fully automated workflow without any bilateral transaction, all within the CCP environment.

This enables delta-neutral trading in single stock options as a physically settled single stock future becomes part of the trade. The daily future expires the same evening, triggering a physical settlement through the CCP with T+2 delivery.

NEW CONCEPT. MORE BENEFITS.

The new concept allows trading and clearing of options volatility strategies in single stock options within the Eurex risk framework. The main benefits are:

- Delta neutral trading with straight-through processing
- Mitigation of counterparty risk
- \bullet Eurex CCP risk framework for both legs
- Access the full variety of liquidity providers
- Full choice of trading channels, including on-screen, EnLight and TES

What are the key benefits?



Delta neutral trading

The NextGen ETD concept allows trading and clearing options volatility strategies (OVS) in single stock options within the Eurex risk framework. Daily settled Single Stock Futures with physical delivery will serve as an underlying instrument to eliminate delta risk.



Mitigate counterparty risk

OVS in single stock options offers delta-neutral trading without any additional counterparty risk or bilateral exchange of the underlying instrument. The trading process is fully replicated within the CCP framework and doesn't require any additional KYC processes or risk limits on the client side.

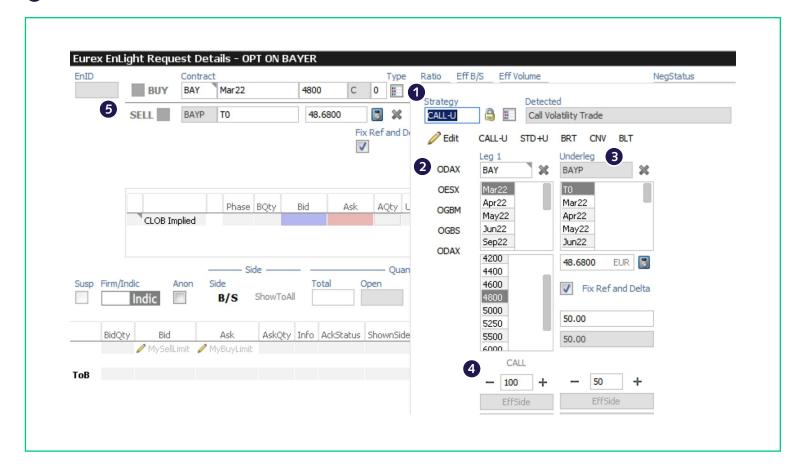


No basis risk

The daily expiring single stock futures provides delta exposure without any additional dividend or corporate action basis risk exposure based on the same-day expiration.

The combined trades are tradable through all channels: on-screen, EnLight and TES. Steps to be taken:

- 1 Choose your strategy (e.g., Call-U, Put+U)
- 2 Choose you underlying option
- 3 Choose the underlying daily expiring single stock future (T0)
- 4 Define the Delta (ratio 1:100)
- **5** Trade



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