

clear to trade



## eurex clearing circular 056/17

**Date:** 14 June 2017  
**Recipients:** All Clearing Members of Eurex Clearing AG and Vendors  
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<b><u>Eurex Market-on-Close Futures (“Eurex MOC Futures”) on EURO STOXX 50® Index Futures (FES1): Draft amendments to the Clearing Conditions</u></b>	
<b>Related Eurex circular:</b> 061/17 <b>Contact:</b> Derivatives Clearing Supervision, T +49-69-211-1 12 50, <a href="mailto:clearing@eurexclearing.com">clearing@eurexclearing.com</a> , Risk Control, T +49-69-211-1 24 52, <a href="mailto:risk@eurexclearing.com">risk@eurexclearing.com</a>	
<b>Content may be most important for:</b> ➔ All departments	<b>Attachment:</b> Draft of updated sections of the Clearing Conditions of Eurex Clearing AG
<b><u>Summary:</u></b> This circular contains preliminary information on the planned clearing of Eurex Market-on-Close Futures (“Eurex MOC Futures”) on EURO STOXX 50® Index Futures, as well as the following: <ul style="list-style-type: none"><li>• Draft amendments to the Clearing Conditions of Eurex Clearing AG</li></ul> Detailed information regarding trading of Eurex MOC Futures on EURO STOXX 50® Index Futures and draft amendments of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (Contract Specifications) are included in Eurex circular 061/17. Subject to final board approval of Eurex MOC Futures on EURO STOXX 50® Index Futures, the relevant amendments of the rules and regulations of Eurex Clearing AG will become effective at the launch date, which will be communicated at a later date via a separate Eurex Clearing circular. The enhancement of trading functionality for Eurex MOC Futures on EURO STOXX 50® Index Futures will be incorporated as part of T7 Release 5.0 which the Eurex Exchanges are planning to launch on 19 June 2017. The introduction of Eurex MOC Futures on EURO STOXX 50® Index Futures is planned for Q3/Q4 2017.	



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**Eurex Market-on-Close Futures (“Eurex MOC Futures”) on EURO STOXX 50® Index Futures (FES1): Draft amendments to Clearing Conditions**

This circular contains preliminary information on the planned clearing of Eurex MOC Futures on EURO STOXX 50® Index Futures, as well as the following:

- Draft amendments to the Clearing Conditions of Eurex Clearing AG

Detailed information regarding trading of Eurex MOC Futures on EURO STOXX 50® Index Futures and draft amendments of the Eurex Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich (Contract Specifications) are included in Eurex circular 061/17.

Subject to final board approval of Eurex MOC Futures on EURO STOXX 50® Index Futures, the relevant amendments of the rules and regulations of Eurex Clearing AG will become effective at the launch date, which will be communicated at a later date via a separate Eurex Clearing circular.

The enhancement of trading functionality for Eurex MOC Futures on EURO STOXX 50® Index Futures will be incorporated as part of T7 Release 5.0 which the Eurex Exchanges are planning to launch on 19 June 2017. The introduction of Eurex MOC Futures on EURO STOXX 50® Index Futures is planned for Q3/Q4 2017.

**1. Overview**

Eurex MOC Futures on the EURO STOXX 50® Index Futures offer trading of EURO STOXX 50® Index Futures (FESX) at the official index close level of the EURO STOXX 50® Index. Eurex MOC Futures will represent the basis (difference between the current futures price and current spot price) which can be traded via orderbook or TES Block Trade throughout the trading day. Eurex MOC Futures trades will be preliminary until the official closing index level is known. The Eurex Exchanges will calculate the final price by adding the official index close level to the traded price of the basis for each transaction.

Eurex MOC Futures will settle into the EURO STOXX 50® Index Futures at the final price. Settlement of Eurex MOC Futures is planned to occur between 18:10 and 18:30 CET and will result in the creation of a corresponding position in EURO STOXX 50® Index Futures at the final price.

**2. Draft Contract Specifications**

Eurex MOC Futures on the EURO STOXX 50® Index Futures will reference the following index for determining the final price:

Reference index					
Index	Currency	Index type	ISIN	Bloomberg	Reuters
EURO STOXX 50® Index	EUR	Price index	EU0009658145	SX5E Index	.SX5E

Settlement of Eurex MOC Futures on EURO STOXX 50® Index Futures will occur into the following underlying:

Underlying index futures					
Futures on	Currency	Product ID	ISIN	Bloomberg	Reuters
EURO STOXX 50® Index	EUR	FESX	DE0009652388	VGA Index CT	<0#STXE:>

The main features of Eurex MOC Futures on EURO STOXX 50® Index Futures are described in the following table:

Reference index	Description
Contract name	Eurex Market-on-Close Futures on EURO STOXX 50® Index Futures
Product ID	FES1
Underlying futures	EURO STOXX 50® Index Futures (FESX)
Contract size	1 contract
Contract multiplier	EUR 10.00 per index point
Minimum tick size	0.10 (represents EUR 1.00 of the underlying index)
Settlement	Transaction-based, physical settlement of EURO STOXX 50® Index Futures. Settlement occurs from the traded maturity of the FES1 into the corresponding maturities of the product FESX
Delivery	Intraday delivery into underlying futures (FESX)
Offered contracts	First three maturities of the underlying index futures (up to nine months)
Contract quotation	Price of the basis in index points, and may be positive or negative
Trading vs. clearing notation	<p>The price of FES1 represents the basis in index points (“<b>trading notation</b>”) of the underlying futures. The trading notion will be converted by the T7 trading system into the preliminary or final price (“<b>clearing notation</b>”).</p> <p>Off-book (TES trades), on-exchange orders and quotes are entered and maintained in the T7 trading system exclusively in trading notation. Once executed, the basis is converted into clearing notation before it is sent to the C7 clearing system. Only the preliminary or final futures price is sent and maintained in the C7 clearing system, similar to the existing handling for Variance Futures and TRF Futures.</p>
Last trading day	Last trading day is the final settlement day. Each trading day of the Eurex MOC Futures is also the last trading day
Final settlement day	Each trading day
Final settlement price	The final settlement price is established on the final settlement day of the contract and is determined as the official closing value of EURO STOXX 50® index plus the traded basis price of the Eurex MOC Futures
TES minimum Block Trade size	The minimum Block Trade Size has not been determined yet. Therefore, the same minimum Block Trade Size (1,000 contracts) as the underlying index futures will apply in the simulation environment.

### 3. Clearing-related features

To assist Clearing Members in handling Eurex MOC Futures on EURO STOXX 50® Index Futures, the product FES1 is used below to exemplify the clearing of Eurex MOC Futures:



- The traded basis price is converted to index points on the C7 clearing layer
- FES1 trades are intraday only and therefore are adjustable via C7 on “T” only
- At the start of the settlement, FES1 trade 1 is reversed by FES1 trade 2 at the same price
- FES1 trade 3 is provided at the final settlement price and immediately reversed by FES1 trade 4
- Trade 5 in the FESX at close is provided with a distinct trade type (equal to 1004) and transaction type (equal to 018). These types will enable Members to distinguish the final future as a result of the transaction based settlement process.

### 4. Simulation

As of 22 June 2017, Eurex MOC Futures on EURO STOXX 50® Index Futures and DAX® Index Futures will be offered in the simulation environment. Eurex MOC Futures on DAX® Index Futures are set up for testing purposes only. It is not planned to launch Eurex MOC Futures on DAX® Index Futures together with Eurex MOC Futures on EURO STOXX 50® Index Futures whose production launch is planned for Q3/Q4 2017

### 5. Product Assignment Group

For Eurex MOC Futures, a new product assignment group (XNFFQE) will be established.

### 6. Trading hours

The planned trading hours are as follows:

Product	Product ID	Times	Pre-Trading Period	Continuous Trading	Post-Trading Full Period	TES Block Trading	Last Trading Day Trading until
Eurex Market-on-Close Futures Contracts on EURO STOXX 50® Index Futures	FES1	CET	07:30-07:45	08:00-17:25	17:25-18:15	08:00-17:35	Continuous Trading: 17:25 TES Block Trading: 17:35

## 7. Trading calendar

The trading calendar for Eurex MOC Futures is identical to the trading calendar of the underlying index futures.

Please note that on the last trading day of the underlying index futures, the maturing month will not be offered in the respective Eurex MOC Futures.

If you have any questions or require further information, please contact Derivatives Clearing Supervision at tel. +49-69-211-1 12 50 or send an e-mail to: [clearing@eurexclearing.com](mailto:clearing@eurexclearing.com). Alternatively, Risk Control is available at tel. +49-69-211-1 24 52 or via e-mail to: [risk@eurexclearing.com](mailto:risk@eurexclearing.com).

14 June 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

# Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of DRAFT

Attachment to Eurex Clearing circular 056/17	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of DRAFT
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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## Part 2 Clearing of Futures Contracts

[...]

### 2.23 Clearing of Eurex Market-on-Close Futures Contracts

The following provisions shall apply to the Clearing of Eurex Market-on-Close Futures Contracts transactions specified in Number 1.25 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

#### 2.23.1 Procedures for Delivery and Payments

[...]

#### 2.23.2 Tender Price and Final Settlement Price

The tender price and the final settlement price for Eurex Market-on-Close Futures Contracts shall be calculated as follows:

- For Eurex Market-on-Close Futures Contracts on the EURO STOXX 50® Index (Product ID: FES1):

The final settlement price shall be calculated per transaction by adding the traded price of the Eurex Market-on-Close Futures Contract and the Index Close. The Index Close corresponds to the daily closing level of the EURO STOXX 50® Index (SX5E) as calculated by Stoxx Ltd.

If no official Index Close has been published by the respective index provider, due to a market disruption pursuant to Number 1.25.6 of the Eurex Contract Specifications, until the end of the respective trading day, the final settlement price is determined by the last index price available. If the index provider delivers the official Index Close or a corrected Index Close after delivery of the underlying Index Futures Contract, an adjustment of the value in the underlying Index Futures Contract shall be performed by cash settlement.

If the determined tender price or the determined final settlement price, respectively, does not reflect the current market conditions, Eurex Clearing AG may determine the tender price or the final settlement price, respectively, at its equitable discretion.

[...]

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