



eurex clearing circular 080/17

Date: 28 August 2017
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Equity index derivatives: Introduction of Eurex Market-on-Close Futures ("Eurex MOC Futures") on EURO STOXX 50® Index Futures

Related Eurex circular: 091/17

Related Eurex Clearing circular: 056/17

Contact: Clearing Operations, T +49-69-211-1 12 50, clearing@eurexclearing.com,
 Risk Control, T +49-69-211-1 24 52, risk@eurexclearing.com

Content may be most important for:

➡ All departments

Attachment:

Updated sections of the following Rules and Regulations:

1. Clearing Conditions of Eurex Clearing AG
2. Price List of Eurex Clearing AG

Summary:

This circular contains information on the clearing of Eurex Market-on-Close Futures ("Eurex MOC Futures") on EURO STOXX 50® Index Futures, as well as the following updated sections of:

- Clearing Conditions of Eurex Clearing AG
- Price List of Eurex Clearing AG

The updates in both documents will be effective from **30 October 2017**.

Detailed information regarding trading of Eurex MOC Futures on EURO STOXX 50® Index Futures and amendments of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich are included in Eurex circular 091/17.

Equity index derivatives: Introduction of Eurex Market-on-Close Futures (“Eurex MOC Futures”) on EURO STOXX 50® Index Futures

This circular contains information on the clearing of Eurex Market-on-Close Futures (“Eurex MOC Futures”) on EURO STOXX 50® Index Futures, as well as the following updated sections of:

- Clearing Conditions of Eurex Clearing AG
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1. Overview

Eurex MOC Futures on the EURO STOXX 50® Index Futures offer to trade 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 18:20 and 18:35 CET and will result in the creation of a corresponding position in EURO STOXX 50® Index Futures at the final price.

2. Contract specifications

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

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

Eurex MOC Futures on EURO STOXX 50® Index Futures will have the following product codes:

Eurex product codes				
	Currency	Product ID	ISIN	Product Type
Eurex MOC Futures on EURO STOXX 50® Index	EUR	FES1	DE000A2DB792	FINX

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

Feature	Description
Contract name	Eurex Market-on-Close Futures on EURO STOXX 50® Index Futures
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 (“trading notation”) of the underlying futures. The trading notion will be converted by the T7 trading system into the preliminary or final price (“clearing notation”).</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 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	500 contracts

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. Product assignment group

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

5. Amendments to the Price List of Eurex Clearing AG

Transaction fees

Fees for trading and clearing of Eurex MOC Futures on EURO STOXX 50® Index Futures are shown in the table below (all fees stated in EUR):

Product	Accounts	Execution Type	Standard Fee per Contract
1 FES1 Eurex Market-on-Close Futures (Eurex MOC Futures) on EURO STOXX 50® Index Futures (EUR denominated)	A	Order book	0
	P		0
	M		0.15
	A	Off-Book	0
	P		0
	M		0.25

Product	Accounts	Execution Type	Standard Fee per Contract
2 FESX via Eurex MOC Futures EURO STOXX 50® Index Futures (EUR denominated)	A	Order book via Eurex MOC	0.50
	P		0.45
	M		0.30
	A	Off-Book via Eurex MOC	0.75
	P		0.70
	M		0.45

} Volume Rebate relevant fee: 0.30

The transaction fees for Eurex MOC Futures on EURO STOXX 50® Index Futures can consist of two components, FES1 ① and FESX via Eurex MOC Futures ②:

- In the M-account the transaction fees are a combination of fees from FES1 and FESX via Eurex MOC Futures, while
- In the P- and A-accounts, the transaction fees consist of fees from FESX via Eurex MOC Futures only.

Volume rebates

Transactions in Eurex MOC Futures on EURO STOXX 50® Index Futures (FES1) will not be considered for the calculation of volume rebates. Transactions in the P- and M-accounts via Eurex MOC Futures resulting in EURO STOXX 50® Index Futures (FESX) are eligible for volume rebates, but only for the amount of the standard fee of EUR 0.30 per contract for FESX in the order book. For the calculation of volume rebates, the liquidity class of FESX is applied.

6. Risk parameters

Margins for the new product are calculated in Prisma.

For the risk parameters of the new products, please refer to the Eurex Clearing website www.eurexclearing.com under the link:

Risk management > Risk parameters

7. Trading hours

The 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	08:30-08:50	09:00-17:25	17:25-18:10	09:00-17:35	Continuous Trading: 17:25 TES Block Trading: 17:35

Pursuant to Chapter I, Part 1, Number 17.2.6 of the Clearing Conditions of Eurex Clearing AG (Clearing Conditions), each Affected Customer accepts each change or amendment to the Clearing Conditions, unless it objects by written notice to Eurex Clearing within fifteen (15) Business Days prior to the effective date. The rights to terminate the Clearing Agreement and Clearing Licenses according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

Pursuant to Number 14 Paragraph 3 of the Price List of Eurex Clearing AG (Price List), the amendments 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 within ten (10) business days after publication.

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

28 August 2017

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 30.10.2017

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

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 Tender Price and Final Settlement Price

(1) 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 EURO STOXX 50® Index Futures Contracts (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.

(2) 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.

(3) 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.

Attachment 1 to Eurex Clearing circular 080/17	Eurex04e
Clearing Conditions of Eurex Clearing AG	As of 30.10.2017
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2.23.2 Performance of Eurex Market-on-Close Futures Contracts by Opening Positions in Eurex Index-Futures Contracts

Each transaction in Eurex Market-on-Close Futures Contracts shall be performed by Eurex Clearing AG on the final settlement day (Number 1.25.3 of the Eurex Contract Specifications) by opening a respective new position in the underlying Index Futures Contract with identical expiry. The delivery in the Index Futures Contract shall occur intra-day; usually prior to the close of trading of the Index Futures Contract to be delivered.

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

3. Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book Transactions on the Eurex Exchanges)

[...]

3.1 Matching / Registration of Derivatives Transactions

- (1) For transactions executed via the order book on the Eurex Exchanges or transactions executed off-book and entered via the Eurex T7 Entry Service (TES), a standard fee per contract applies as listed in the following tables. The Standard Fee is subject to the execution type (order book transactions on the Eurex Exchanges or off-book transactions via TES) and to the Account.
- (2) The transaction fee is charged with respect to the Account on which the final booking of the transaction is done~~correctly booked~~ and is charged to the account of the Clearing Member that settles and clears the transaction on behalf of itself or on behalf of the Clearing Member, Non-Clearing Member or Registered Customer. A ~~transaction is considered to be correctly booked on the Account on which the transaction turns into a position. The transaction fee is charged to the account of the Clearing Member that clears the transaction on behalf of the Clearing Member, Non-Clearing Member or Registered Customer, on whose Account the transaction turns into a position.~~

[...]

- (6) With regard to transactions in Eurex Market-on-Close Futures (Eurex MOC) on Index Futures and in deviation to Paragraph (1), not only will a transaction fee be charged for any transaction in Eurex MOC on Index Futures but also an additional fee relating to the booking of the Index Future underlying such transaction. Such fee relating to the booking of the Index Future underlying such transaction is specified in detail in the following table, the underlying product having been marked "via Eurex MOC".

Price List of Eurex Clearing AG

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
Equity Derivatives						
Equity Futures with Group ID assigned in Annex A of the Eurex Contract Specifications						
[...]						
Equity Index Derivatives						
Equity Index Futures						
[...]						
Eurex Market-on-Close Futures (Eurex MOC) on EURO STOXX 50® Index Futures (denominated in EUR)	EUR	Order book	A	0.00	n. a.	n. a.
			P	0.00	n. a.	n. a.
			M	0.15	n. a.	n. a.
		Off-book	A	0.00	n. a.	n. a.
			P	0.00	n. a.	n. a.
			M	0.25	n. a.	n. a.
EURO STOXX 50® Index Futures (denominated in EUR)	EUR	Order book	A	0.35	n. a.	n. a.
			P	0.30	n. a.	n. a.
			M	0.30	n. a.	n. a.
		Off-book	A	0.50	n. a.	n. a.
			P	0.45	n. a.	n. a.
			M	0.45	n. a.	n. a.
		Order book via Eurex MOC	A	0.50	n. a.	n. a.
			P	0.45	n. a.	n. a.
			M	0.30	n. a.	n. a.
		Off-book via Eurex MOC	A	0.75	n. a.	n. a.
			P	0.70	n. a.	n. a.
			M	0.45	n. a.	n. a.
[...]						

3.2 Rebates

[...]

[...]

3.2.2 Volume Rebates

[...]

3.2.2.2 Volume Rebates in Futures

- (1) The applicable rebate levels pursuant to Number 3.2.2.1 Paragraph 7 in Equity Index and Interest Rate Futures are moreover subject to the Liquidity Class (“LC”) of each respective product defined in the Liquidity Class Product Assignments. The Liquidity Class Product Assignments are published on the Eurex website www.eurexchange.com under the following link:

Eurex Exchange > Products > Product Information

- (2) When calculating Eligible Volume for Futures, only transactions executed via the order book are considered.
- (3) Transactions in Eurex Daily Futures Contracts on KOSPI 200 Derivatives, ~~and~~ Daily Futures Contracts on TAIFEX Derivatives and transactions in Eurex MOC on Index Futures shall not be taken into account when calculating Eligible Volume for Equity Index Futures. For the avoidance of doubt: if, following a transaction in Eurex MOC on Index Futures, a booking of the underlying Index Future has been made, the newly booked Index Future is eligible in terms of this Number 3.2.2. Here, the Eligible Transaction Fees are limited to the fee which is listed for the underlying Index Future in the execution type “order book” pursuant to Number 3.1.

[...]

[...]
