Quick Reference Guide
Eurex Market Model

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Quick Reference Guide

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Introduction

Eurex is the world's largest futures and options exchange for European benchmark derivatives. Our electronic trading platform provides access to a broad range of international products, connecting more than 7,500 traders from 19 different countries on four continents.

As a Eurex customer, you benefit from a market model that establishes a level playing field for all participants, as well as open and low-cost electronic access with equal rights and seamless integration of the OTC market. The integrated clearing house Eurex Clearing AG further offers central counterparty services for instruments traded on the Eurex Exchanges, Eurex Bonds, and Eurex Repo, as well as the FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange, Xetra® and floor). This structure allows you to benefit from a high quality, cost-efficient and comprehensive value chain of trading and clearing services via one single electronic system.

We provide an integrated **G**raphical **U**ser **I**nterface (GUI) for trading and clearing that we update constantly to keep pace with improvements in available technology and to implement new functionalities. The Eurex GUI is based on an open standardized interface (VALUES API), allowing you to use your own systems to manage your business more efficiently.

With this brochure, we describe our market model, including the various preconditions for entering orders and quotes as well as the rules by which orders and quotes are matched to generate executions. Both the regulations that directly pertain to trading and the fee structure are explained. The brochure also contains guidelines for the entry of OTC trades on Eurex products.

The "Eurex Quick Reference Guide – Market Model" does not cover information regarding settlement and margining of trades. You will find this information in the brochures "Eurex Quick Reference Guide – Clearing" and "Eurex Clearing – Risk-based Margining".

As the VALUES API interface allows you to control your business without using the Eurex software directly, this brochure attempts to be "system-neutral". It describes the available functionality without specific reference to individual Eurex windows. Should you require detailed information on the Eurex GUIs, please consult the "Eurex Quick Reference Guide – Trading" and "Eurex Quick Reference Guide – Clearing".

If you have further questions that are not answered in our brochures or informational material listed in the appendix, we will be happy to answer them personally.

You will find a list of contacts at the end of the brochure. In addition, we would like to draw your attention to our website **www.eurexchange.com**, which is a reliable source of up-to-date information.

The Eurex Marketplace

The core element of the Eurex Market Model is the central order book, into which all orders and quotes are entered during the trading day.

Some purchase and sale transactions do not go through the central order book: Block Auction transactions, OTC transactions (where the price is agreed off-exchange and then recorded at Eurex Clearing AG for clearing and settlement purposes), and clearing and settlement-related transactions such as option exercises/assignments, as well as notifications/allocations against positions in fixed income futures.

Central Order Book

When orders and quotes are entered into the central order book, they are sorted by type, price and entry time. Market orders are always given the highest priority for matching purposes. Limit orders and quotes are sorted together; there is no special consideration given to Market Maker quotes.

Orders and quotes in the central order book are anonymous: A trader never knows the opposite side on a trade executed through the exchange. Eurex Clearing AG is always the counterparty. Orders and quotes at a given price level are aggregated, although the number of orders and quotes making up the total remains unknown. Participants only see the specific details of their own orders.

For all products, the best bid and ask prices, as well as their respective aggregated bid and offer sizes (also known as the "inside market"), are always available in real time. For liquid futures contracts, such as the Euro-Bund Futures, the depth of the order book is updated dynamically for the ten best price levels, with sizes, on both sides. For less liquid futures contracts, as well as all option contracts, market depth can be accessed as a "snapshot", meaning the data does not continue to update in real time after the initial capture.

The Eurex Trading Day

The trading day at Eurex typically runs from 07:30 to 22:30 CET (Central European Time). It consists of four main periods: Pre-Trading, Opening, Trading and Post-Trading. All products are subject to these main periods, although the timing of the periods differs between product groups – for instance, due to different conventions in the underlying market (for example for equity options).

The Eurex Trading Day

| Opening | | | Closing |

▶ Time　　●━ Pre-Trading Period　　●━ Trading Period　　●━ Post-Trading Period
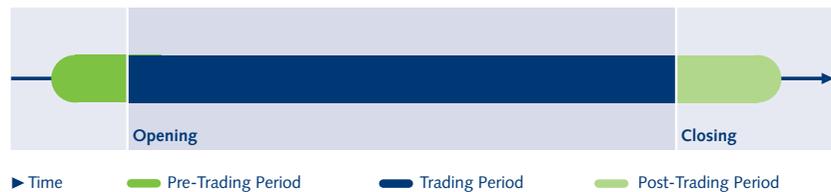
The schedule for these periods for each product can be found on the Eurex website at **www.eurexchange.com > Trading > Trading Calendar > Trading Hours**.

Pre-Trading

The Pre-Trading Period begins at 07:30 CET, and allows participants to prepare for the opening of trading. Quotes and orders can be entered, changed or deleted, and participants can make data inquiries, but no "inside market" information (the best bid and ask prices, as well as their respective aggregated bid and offer sizes) is available. Entering quotes and orders for option strategies and option volatility strategies, is not permitted during this time.

Opening: Pre-Opening – Freeze – Netting

The Opening Period consists of several steps taken to uncross the order books and to start the continuous trading phase. Uncrossing is performed through an auction process during which matchable orders are executed, thereby creating an opening price for those contracts where a "crossed book" situation exists at the time of netting. It is not necessary, however, to actually determine opening prices for every product. The Pre-Opening Period is characterized by the availability of potential opening prices, allowing traders to assess supply and demand. As in the Pre-Trading Period, quotes and orders (other than strategy quotes and orders) can be entered, changed or deleted, although only individually.

The Freeze Period is an optional phase. During the Pre-Opening Period, Eurex can freeze the market for a particular product, allowing final review of potential opening prices by Eurex Market Supervision (which controls all trading activities at Eurex) before initiating the opening auction during the Netting Period. Freezing a product prevents orders or quotes from being entered, changed or deleted. Data inquiries are still permitted.

The Netting process refers to the calculation of opening prices and transactions for all products, if possible. The basis for price determination is the price level that results in the maximum executable order volume (see the section on the auction principle). Existing orders and quotes are matched at that price to the extent possible. The Netting Period for a given product can end without an opening price being established. Once netting ends for a product, it automatically enters the Trading Period.

Trading

During the Trading Period, open orders and quotes are compared continuously. All orders and quotes entered during this time that are equal to or better than existing orders and quotes on the corresponding contra-side of the order book are immediately matched. If not immediately matched, orders are held in the central order book, if appropriate. Transactions are confirmed in real time. Orders and quotes can be entered, changed or deleted as required.

Although the entry, modification and deletion of orders for futures time spreads is possible in all trading phases, spread orders only become activated in continuous trading, retaining their original timestamp.

Quotes and orders for strategies can only be entered during the Trading Period.

Eurex Market Supervision has the option of implementing a "Fast Market" on a per-product basis in unusual circumstances, such as times of high volatility. The difference between a "Fast Market" and the normal Trading Period is that the parameters for maximum quote spread and minimum quote size in response to a quote request are more relaxed during a "Fast Market", and mistrade ranges are extended accordingly.

Closing Auction

For some futures products, in order to establish a closing price for contracts, the Trading Period ends with a closing auction. All open orders and quotes are automatically transfered into the closing auction. New orders may be entered, and existing orders and quotes may be individually modified or cancelled.

The auction principle applies during the closing auction; the daily closing price is the price at which the greatest possible volume can be matched in the respective contract.

If the potential closing price differs considerably from the reference price, based on previously prevailing market conditions, the closing auction may be aborted.

The closing auction with respect to a product shall end as soon as the Netting process has been completed for all futures contracts based on that product.

If no market orders exist for any specific futures contracts and matching between limit orders or limit orders and quotes is not possible, or if market orders exist that are not executable, the closing auction shall end without determining a closing price.

Post-Trading

At the end of the Trading Period, a product enters Post-Trading.

The Post-Trading Period is divided into four phases: the Post-Trading Full Period, Post-Trading Late1, Post-Trading Late2, and the Post-Trading Restricted Period.

During the Post-Trading Full Period, orders may be entered for the next trading day, and existing orders (meaning they have validity into the next trading day) can be changed or deleted. All data inquiry functions are also available. Position management transactions, such as option exercises, are also possible during the Post-Trading Full Period.

With the beginning of Post-Trading Late1, no further wholesale trades may be entered. Otherwise, Post-Trading Late1 is the same as Post-Trading Full.

In Post-Trading Late2, give-up and take-up transactions are not allowed; otherwise, the period is identical to Post-Trading Late1.

Eventually, the Post-Trading Late2 Period turns into the Post-Trading Restricted Period, when only data inquiries are possible. Orders may still be entered for the next trading day. Exercises are no longer accepted.

Once the batch process begins, data inquiries are no longer available. The Eurex® system is being prepared for the next trading day.

Order Restrictions by Trading Period

With the beginning of the Pre-Trading Period, Eurex participants are able to enter orders. There are restrictions, however, on the types of orders that may be entered outside the main Trading Period. The table below illustrates which types of orders can and cannot be entered during the various periods of the trading day for price/time matched products:

Order Restrictions

Order Type	Pre-Trading	Pre-Opening	Trading	Post-Trading (Full, Late1, Late2)	Post-Trading Restricted
Market Order	Yes	Yes	Yes	Yes	No
Stop Order (Futures)	Yes	Yes	Yes	Yes	No
Restricted Limit Order (IOC)	No	No	Yes	No	No
Unrestricted Limit Order (GFD, GTC, GTD)	Yes	Yes	Yes	Yes	No
Futures Combination	Yes	Yes	Yes	Yes	No
Strategies	No	No	Yes	No	No

Order Types

Several types of orders may be used at Eurex: market orders, limit orders (both restricted and unrestricted), stops, futures time spreads and strategy orders are available to participants.

Market Orders

Market orders have no specific price limit. They are matched immediately at the best available market price. For example, a market that is twelve bid and 14 offered will fill market orders to sell at twelve and market orders to buy at 14. There are some safeguards within the principle of immediate matching, which differ for options and futures:

For options trading, market orders are matched as soon as possible at the best possible price, but not below (for a "Sell") or above (for a "Buy") the lowest or highest (respectively) available quote in the order book. Market orders that cannot be executed are written to the order book until further quotes or tradable limit orders arrive. A market order takes precedence when there are also two opposite limit orders which could be executed against each other, i.e. with a buy limit equal to, or higher than, the sell limit (crossed book).

In futures trading, market orders are matched as soon as possible at the best possible price, but only within a maximum range (Market Order Matching Range) around the reference price.

For more information, see the section on "Protection Mechanisms for Market Orders".

Market orders are possible for both futures and options, but are not supported for strategies and futures time spreads.

Stop Orders

Stops are orders that create market orders when the specified trigger price is reached. As with market orders, stop orders are not visible in the order book for any market participant.

A buy stop is an order placed at a price above the market that will trigger the creation of a market buy order when the market trades at the stop price or higher. "Buy 5 June FGBL[1] 119.50 Stop" when the market is currently at 117.50 would be an example of a buy stop.

A sell stop is placed below the market and creates a market order if the market trades at or below the stop price. "Sell 2 December FGBM[2] at 114.50 Stop" when the market is currently at 116.20 is an example of a sell stop order.

There is no guarantee that an order triggered by a stop will be filled at the stop price.

[1] Euro-Bund Futures
[2] Euro-Bobl Futures

Instead, it is treated the same as any other market order. A stop is only activated when an actual trade takes place that is at or through the stop. Even if both the bid and offer are through the stop price (for example, when both the bid and the offer are higher than the buy stop price), it will not activate the stop.

Stop orders are often referred to as "stop-loss" orders in that they are often used to protect a trader's position from deteriorating beyond a certain point and stopping further loss. Positions can be initiated or closed out using stop orders.

Stops are available on most futures (except for pro rata matched futures) but are unavailable on options.

Limit Orders

Limit orders include a specified price limit, and may not be executed at a price worse than that limit. They are divided into restricted limit orders and unrestricted limit orders.

Unrestricted Limit Orders

These orders are used in all markets and have a duration attached to them.

Good-for-Day (GFD) is also known as a day order. All orders are assumed to be GFD unless otherwise specified. The validity of a GFD order ends at the close of that day's Trading Period. GFD orders entered during the Post-Trading Period of a given trading day will be valid for the following trading day.

Good-till-Cancelled (GTC) is also known as an open order in some markets. This order remains valid until it is executed, it is cancelled, or the contract expires. All orders are automatically cancelled one year after entry.

Good-till-Date (GTD) is similar to GTC but carries a specified date up to one year from entry on which the order is automatically cancelled.

Restricted Limit Orders

Immediate-or-Cancel (IOC) is to be filled immediately, either completely or to the extent possible; the portion that cannot be filled immediately is cancelled.

Closing Auction Only orders may be entered during the entire trading day, but are only active during the closing auction phase of the current business day. No price reasonability check is performed at order entry. This restriction type applies only to market and limit orders for price/time-matched futures where the standard trading schedule foresees a closing auction.

Summary of Order Types

Order Types	Options	Strategies	Futures	Futures Time Spreads
Limit Orders				
Restricted				
IOC (Immediate-or-Cancel)	Y	Y	Y	Y
Closing Auction Only	N	N	Y	N
Unrestricted				
GFD (Good-for-Day)	Y	Y	Y	Y
GTC (Good-till-Cancelled)	Y	N	Y	Y
GTD (Good-till-Date)	Y	N	Y	Y
Market Orders	Y	N	Y	N
Stop Orders	N	N	Y	N

Y = Yes, order type possible
N = No, order type not possible

Matching Rules

In order to match quotes and orders to generate transactions, there needs to be a method for determining priority between competing orders, as well as a rule for establishing the transaction price. Most products at Eurex follow the principle known as price/time priority. The exception is money market futures (also known in some markets as STIR (short term interest rate) futures), which follow pro rata matching.

Although order matching in the Trading Period will follow either price/time priority or pro rata matching, a different process, called the auction principle, is used to determine the opening price of products traded at Eurex.

Price/Time Priority

The principle of price/time priority refers to both orders and quotes. When an order (or quote) is entered into the order book, it is assigned a timestamp. This timestamp is used to prioritize orders in the book with the same price – the order entered earliest at a given price limit gets executed first. When a new order (or quote) is entered, the Eurex® system first checks the limits of all orders contained in the central order book. If the incoming order is immediately executable, meaning it is capable of being matched against an existing order or orders, one or more transactions are generated. To be immediately executable, the order must be:

● A market order, where contra-side orders already exist in the central order book[3];
● an order to buy at a price at or above the lowest offer in the central order book;
● an order to sell at a price at or below the highest bid in the book.

Orders may not necessarily be executed at a single price, but may generate several partial transactions at different prices. When a large order executes against the total available quantity at a given price level, the next best price level becomes best. This process continues as long as the incoming order remains executable.

[3] within the constraints of the Market Order Matching Range; see section "**M**arket **O**rder **M**atching **R**ange (MOMR)"

If not executed upon entry, an order is held in the central order book.

Also, it is possible for a single order to generate multiple executions at different points in time. For example, an order may generate a partial execution upon entry, while the remaining open order remains in the order book. The open portion may get executed a minute later, an hour later, or even a day later, if its validity extends beyond the current trading day.

Consider the following order book situation for a hypothetical product, and the consequences of various incoming orders:

Buy			Sell	
Quantity	Bid	Ask		Quantity
300	102.75	102.80		200
75	102.70	102.90		250
20	102.69	103.00		750

Depending on the type of order that is entered into the Eurex® system next, the following scenarios are possible:

- A market order to buy 100 contracts would result in an immediate purchase of 100 contracts at 102.80. The market buy order automatically gets executed at the best (lowest) price in the order book, provided this price is not outside the Market Order Matching Range.
- A market order to buy 400 contracts would generate an immediate purchase of 200 contracts at 102.80 and a purchase of an additional 200 contracts at 102.90. In this case, after fully executing against the available quantity at the initial best price of 102.80, the incoming order is matched against the next highest price level, 102.90, which becomes the best price.
- A limit order to sell 100 contracts at a price limit of 102.77 generates no immediate transactions. Instead, the order enters the order book as the best ask.
- A limit order to sell 100 contracts at a price limit of 102.70 generates a sale of 100 contracts at 102.75. A limit order cannot be executed at a price worse than its price limit, but can improve on that price.
- A limit order to sell 500 contracts at 102.70 results in two immediate transactions, a sale of 300 contracts at 102.75 and a sale of 75 contracts at 102.70. What happens to the remaining partial order of 125 contracts? It is entered into the order book as an offer of 125 contracts at its limit price of 102.70, leaving the order book in this condition:

Buy			Sell	
Quantity	Bid	Ask		Quantity
20	102.69	102.70		125
		102.80		200
		102.90		250
		103.00		750
Executions:	300 contracts @ 102.75		75 contracts @ 102.70	

All executions in futures contracts are subject to the restrictions of the Market Order Matching Range.

Market orders have the highest priority for matching. Since the purpose of the market order is to be executed as quickly as possible at the best possible price, it must be entered without execution restrictions. If several market orders are booked in the order book, the Eurex® system takes into account the timestamp of the orders to establish matching priority. The earliest market order entered receives the highest priority.

In the case of limit orders, orders with the best possible prices (highest price limit for buy orders, lowest price limit for sell orders) always take precedence in the matching process over other orders with worse prices. Again, if the limit orders have the same price limit, the criterion used for establishing matching priority is the order timestamp.

The timing of orders can have a substantial impact on the execution price. Consider an empty order book, and two incoming orders a split second apart, a bid at 101 and an offer at 100. If the bid of 101 enters the order book first, then the later offer generates a trade at a price of 101. If the timing were reversed, the incoming bid results in a trade at a price of 100 against the offer already in the book

The orders already present in the order book are always executed at their specified limit price. Price improvements for orders in the order book are only possible during an auction process – opening or closing auction. Orders going into the order book are always matched at the appropriate prices available in the order book, up to the specified limit price.

Pro Rata Matching

Pro rata matching is used for money market futures. When the intraday volatility of the inside market price of a product is low, under price/time priority a large order may prevent smaller orders from participating in the matching process. Pro rata matching ensures constant access to the inside market for orders of all sizes.

When matching existing orders in the book against an incoming order, the pro rata matching algorithm takes into account every book order at the inside market price according to its percentage of the overall volume bid or offered at the price, regardless of its timestamp. Thus the pro rata principle avoids a conflict in priority between orders with small and large quantities.

Let us look at an example, using a hypothetical contract with three different bids totaling 51 contracts at the same price level of 105.12:

Buy book (order level)	Buy book (aggregate)	Sell book
Buy 10 at **105.12**		Sell 10 at 105.13
Buy 9 at **105.12**	**Buy 51 at 105.12**	Sell 12 at 105.14
Buy 32 at **105.12**		Sell 26 at 105.15
Buy 2 at 105.11	Buy 2 at 105.11	Sell 13 at 105.16

A market order is entered to sell 40 contracts. The order would be executed against the open bids as follows:

	Fill Proportion	Fill Amount	
10/51 =	0.1961 × 40 =	7.844	rounded to 7 contracts
9/51 =	0.1765 × 40 =	7.06	rounded to 7 contracts
32/51 =	0.6275 × 40 =	25.1	rounded to 25 contracts

All three bids would be partially filled and the allocated number of contracts are always rounded down. The remaining sell quantity of one contract is randomly allocated to one of the three buy orders.

The elimination of prioritization by time results in a larger number of book orders contributing to a trade, since an incoming order is partially matched against a proportion of all orders in the book at the current inside market price.

Market orders for pro rata matched products must be entered with the restriction code IOC (immediate-or-cancel). Therefore, no market orders are stored in the order books for products associated with pro rata matching. When a market order, or part of it, can only be matched outside the Market Order Matching Range (see "Market Order Matching Range"), the remaining quantity is cancelled. When market orders are entered and no reference price is available, the market order is cancelled.

Auction Principle

The netting process in the opening or closing auction does not use price/time priority matching to determine opening prices. Instead, an auction principle is applied to determine a price that results in the highest executable volume in the netting process while also clearing limit orders through that price.

Unmatched limit orders remain in the order book: after the closing auction in futures, only those remaining orders are deleted, which were not explicitly entered with the restriction "closing auction only".

Within the auction principle, orders with better prices (higher bid prices, lower ask prices) get preference in the determination of which orders are actually executed in the auction, as do earlier orders over later orders at the same price limit. Market orders still take priority over limit orders.

Look at the following order book in the Opening Period for a futures contract:

Accumulated Bids	Bid	Limit	Ask	Accumulated Offers	Executable Volume
		105.00	10	80	
10	10	104.85		70	10
60	50	104.50	55	70	60
95	35	104.35	15	15	15
195	100	103.50			

The executable volume column is the lesser of the accumulated bids and the accumulated offers at each price level. The maximum executable volume is 60 contracts, to be executed at a price of 104.50. The 15 contracts offered at 104.35 have a higher matching priority and get executed first, so only 45 of the 55 contracts offered at 104.50 would be executed in the netting process.

Now consider a second order book:

Accumulated Bids	Bid	Limit	Ask	Accumulated Offers	Executable Volume
30	30	5850		60	30
40	10	5840	20	60	40
45	5	5830	10	40	40
45		5820	20	30	30
80	35	5800	10	10	10

In this case, two price levels share the same maximum executable volume of 40 contracts. When a range of prices generates the same executable volume, the price chosen is the highest that satisfies the following condition: the auction price cannot be higher than the best ask, or lower than the best bid, immediately following the auction process. In the above example, an opening price of 5840 is the highest price with an executable volume of 40 contracts. It also clears all limit bids above 5840 and limit asks below 5840.

Market orders are treated in the determination of executable volume as orders with price limits at extreme high (for market buys) and low (market sells) price limits. In the following order book, we can see the impact of market orders (Limit is "M") and the requirement to clear all market orders in the auction process:

Accumulated Bids	Bid	Limit	Ask	Accumulated Offers	Executable Volume
30	30	M		75	30
60	30	5850		75	60
70	10	5840		75	70
70		5835	25	75	70
75	5	5830	10	50	50
75		5820	20	40	40
110	35	5800	10	20	20
110		M	10	10	10

In our example above, both 5835 and 5840 have the same maximum executable volume of 70. After the auction, however, there would be five contracts left at an ask price of 5835, so the auction price cannot be higher than 5835.

In the netting process, the Market Order Matching Range does not apply.

Account Structure

Eurex provides several position accounts where a transaction may be kept until it is closed out.

There are three types of accounts:
- Agent,
- Proprietary,
- Market Maker.

Every order entered into the Eurex® system must be associated with one of these account types.

Agent and Proprietary accounts are kept on a gross basis. If a trader buys and sells identical contracts, he will have both a long position and a short position in the same account, unless the second trade is designated as a closing transaction. If an offsetting transaction is not marked as a closing transaction during entry, the designation can be adjusted later. If this is not done in a timely fashion, however, additional fees will be charged by Eurex.

Market Maker accounts are kept on a net basis.

Agent Account (A1)

Trades entered into the Eurex® system on behalf of clients are recorded in the agent account.

Give-Up Account Codes (G1/G2)

All give-up trades are considered part of account A1 and are displayed as such trades. The account codes G1 and G2 are actually designations that the trade is going to be sent to another member, usually when a client uses one member to perform the execution and another to do the clearing.

G1 (Pre-Designated Give-Up)

When a trade is designated G1, the trade is flagged as being given up to another firm, but the firm is not yet identified.

G2 (Designated Give-Up)

In designating a trade G2, the trader provides all the information necessary for the give-up at order entry, including the Clearing Member ID of the firm to which the take-up is being transferred. The give-up then happens automatically, assuming that the General Clearing Member involved has not specified that give-ups will be approved manually.

Proprietary Accounts (P1/P2)

These two accounts are available for trades made for the participant's own account. The participant has full discretion over which account is used for an opening position, although close-outs must be directed to the same account as the open position.

Market Maker Accounts (M1/M2)

Trades resulting from quotes or orders entered by Market Makers in option trading and from quotes by exchange participants in futures trading are recorded in the two Market Maker accounts. Limit orders entered by Market Makers in options trading may be recorded either on the Market Maker accounts or on the Proprietary accounts.

Overview of Account Types

Account Codes		Account Type	Activity	Net versus Gross
A1		Agent	Clients only	Gross
	G1	Pre-Designated Give-Up	Without the member ID of the receiving clearing member	
	G2	Designated Give-Up	With the member ID of the receiving clearing member	
P1, P2		Proprietary	Own account	Gross
M1, M2		Market Maker	Quotes	Net

Futures Combinations, Strategy Trading and Synthetic Pricing

Futures combinations are the simultaneous buying and selling of two different Eurex futures contracts in one single order. Strategy trading facilitates the trading of complex strategies involving options while maintaining the benefits of an order book and trading at a single price. For futures, there is integration between the pricing of individual legs (outrights) and the pricing of futures combinations. The purpose of this synthetic pricing process is to enhance the liquidity of all products.

Futures Combinations

Although futures combinations have their own order books, these books are integrated in the order books for the individual "legs". Market orders and stop orders are not permitted for futures combinations. For unrestricted orders, a validity date may also be specified. Unrestricted futures combination orders that cannot match at initial order entry are automatically written to the combination order book.

If futures combination orders cannot be executed during the day, they are updated to "Held" status during batch processing.

For products matched under price/time priority, the orders are automatically reactivated at the beginning of the next period of continuous trading, retaining their original order number and timestamp.

For products matched pro rata, the trader must choose to reactivate the held order after the start of the Trading Period during the next or any subsequent trading day. Reactivated orders receive a new order number and timestamp. If the combination order is not matched by the expiration date specified on the order, the order will be automatically deleted during batch processing.

One type of futures combination is permitted on the Eurex® system: Time spreads.

Time Spreads
Time spreads combine two different maturities for futures on the same underlying. At any time, three time spreads (except for volatility index derivatives and credit derivatives) are supported for products subject to price/time matching:
● first month/second month (for example March/June)
● second month/third month (for example June/September)
● first month/third month (for example March/September)

For pro rata matched futures products, all spreads between each pair of consecutive maturity months are supported.

The purchase of a combination means you buy the first (nearer to expiration) leg and sell the later leg, with the price limit reflecting the net price of the purchase and sale. For example, "Buy 5 MAR/JUN FDAX[4] spreads at -25" represents an order to buy 5 March contracts and simultaneously sell 5 June contracts of the DAX® Future. The prices of the purchase and the sale are individually unspecified (whereas the basis of the price usually is derived from the price of the first leg), but the net of the price on the buy trade must be no greater than the price of the sell trade minus 25 points. The trader is not concerned with the price level of the contracts, but with the relationship between the two prices. If the order is filled, the trader is long the combination, that means, he is long the nearby contract, but short the later contract.

Futures time spread combinations are fully integrated with the order books for the individual legs. Orders will automatically be matched against either the outright order books for the individual legs (sometimes called an "implied-in" price) or the separate combination order book, depending on which book will yield the better price

If the order is not immediately executed or cancelled, it enters the combination order book. Due to the integration of the combination book and the books for the individual legs, the open combination order will generate a synthetic price in the later leg.

[4] Futures on the DAX®

Consider four orders for FGBS[5]:
- buy 10 MAR @ 103.350
- sell 25 MAR @ 103.400
- buy 20 MAR/JUN spreads @ 0.040
- sell 40 MAR/JUN spreads @ 0.050

The inside market for the two individual legs and the combination would look as follows:

Contract	Bid Quantity	Bid	Ask	Ask Quantity
March FGBS	10	103.350	103.400	25
June FGBS	10	103.300	103.360	20
Mar/Jun Spread	20	0.040	0.050	40

The inside market for the March contract and the spread reflect the original four orders. The bid and ask prices and quantities for the June contract are automatically generated from the price limits and quantities from the four orders (also known as "implied-out" prices). For example, the 10 June contracts bid at 103.300 are synthetically generated from the March bid of 103.350 (the price at which the market is willing to buy the March contract) and the spread ask of 0.050. The trader would be willing to sell the March contract at its market price of 103.350 if he can buy the June contract at 103.300 or less (103.350 - 103.300 = 0.050). The quantity associated with the synthetic price is limited to 10 contracts, even though the spread ask is for 40 contracts, because only 10 contracts are available on the March bid.

Similarly, the 20 contracts on the ask side of the June contract were synthetically generated from the March ask of 103.400 and the spread bid of 0.040. If the trader can sell the June contract at 103.360 or better, he would be willing to buy the March contract at its market price of 103.400. The 20 contracts are the lesser of the March ask and the spread bid.

If a synthetic price is hit in the market, for example, someone agrees to sell 5 June FGBS contracts at 103.300, then, in addition to executing that trade in the June contract, the Eurex® system automatically triggers an execution for 5 March FGBS contracts at 103.350.

The counterparties for the two legs may not be the same. Individual legs are treated as separate trades for position and transaction management purposes, although they are related to each other through their single order number.

If the conditions of the order book change, the synthetic prices will change accordingly.

[5] Euro-Schatz Futures

Strategy Trading

Strategy trading is an extended combination trading functionality enabling market participants to create an individual option strategy based on predefined strategy types (Butterfly, Condor, Straddle, et cetera), and to announce this strategy to the entire market. There are two kinds of strategy types:

- option strategies, involving up to four option legs;
- option volatility strategies, comprising a variety of option positions against an underlying future (or, for equity options, LEPO) position

Strategies created and published by market participants are visible to the whole market and are traded via separate public order books (strategy order books) distinct from the regular options and futures order books. The matching algorithm for strategy orders is based on the principle of price/time priority.

Limit orders and quotes are supported for strategy trading. An order can have the restriction "immediate-or-cancel" (IOC), or no restriction. Market and stop orders are not supported.

At present, there are no specific Market-Making obligations for strategies. Market Makers who fulfill their quotation on request or, where applicable, Permanent Market Maker (PMM) or Advanced Market Maker (AMM) obligations automatically qualify for market maker refunds in strategies.

All strategies, open strategy orders and strategy quotes are removed at the end of the business day.

See the appendix on "Strategy Types" for a list of available strategies.

Market-Making

The Market Maker facility exists to ensure the availability of adequate liquidity in the market at all times. It is the task of the Market Maker to bridge temporary imbalances between supply and demand in traded products; furthermore, in options trading, quotes also serve as protection for market orders. There is generally more than one Market Maker for a product.

For options, any market participant can act as a Market Maker after an application for a Market Maker license in one or more products has been approved by the exchange. For selected futures products only, so-called "Designated" Market-Making exists. Market Makers take on defined obligations to encourage liquidity in their chosen market. Subject to their performance in fulfilling their obligations, they are rewarded with a reduction in fee levels.

For detailed information about Eurex Market-Making please visit the Eurex website **www.eurexchange.com**.

Market-Making in Options

Three models for Market-Making in options exist at Eurex. Under Regular Market-Making, Market Makers enter quotes in response to requests from other members. Under Permanent Market-Making (PMM) and Advanced Market-Making (AMM), the Market Maker maintains quotes throughout the trading day, irrespective of requests from other members.

Regular Market-Making applies only to less liquid options on equities, equity indexes and Exchange Traded Funds (EXTFs) where available. It also applies to all options on fixed income futures.

Under all schemes, quotes must contain both a bid and ask limit, as well as a quantity. There is a restriction on the maximum spread between the bid and ask price to ensure that Market Makers supply appropriate quotes. It is possible for a market maker to enter quotes at a spread wider than the maximum, denoted as Wide Quotes, but Wide Quotes are not treated as quotes for the purposes of the various trading safeguards for market orders, nor are they considered in a market maker's performance measurement. Quotes are also subject to a minimum contract size.

Parameters for the specific obligations of the Market Makers of each contract can be found on the Eurex website at **www.eurexchange.com > Products** by selecting the product group of interest.

Permanent Market-Making (PMM)

Currently, Permanent Market Makers undertake to supply quotes for a defined percentage of the Trading Period, as measured on exchange trading days during the calendar month, for a pre-defined set of expirations and exercise prices, in addition to satisfying the obligations regarding minimum contract size and maximum spreads for qualifying quotes.

For options on equities and EXTFs, Permanent Market Makers are obliged to quote calls and puts in five exercise prices out of a window of seven exercise prices around the current underlying price for every expiration up to the maximum expiration set for the product.

For equity index options, there are three sets of obligation levels for Market Makers: PMM, PMM Short (PMS) and PMM Long (PML).

A Market Maker meets his Permanent Market-Making obligation by fulfilling one of these obligation schemes. Both PMM and PMS obligate market makers to quote calls and puts in five exercise prices out of a window of seven exercise prices around the current underlying price for every expiration up to the maximum expiration set for the product, but PMS requires a larger minimum quote size and fewer expirations. The Market Maker in PML, which is available for options on Dow Jones EURO STOXX 50® Index, DAX® and SMI®, will be obliged to quote calls and puts in six exercise prices out

of an exercise price window of nine exercise prices around the current underlying price in every expiration larger than 18 months and up to five years; a minimum quote size of 100 contracts and a maximum spread of ten percent of the relevant bid price are also required.

For fixed income options, Permanent Market Makers are required to quote calls and puts in four exercise prices out of a window of seven exercise prices around the current underlying price for each of the first two expiration months.

Asymmetrical quoting is allowed, that is, the put exercise prices and call exercise prices can differ.

Advanced Market-Making (AMM)

Advanced Market-Making is similar to Permanent Market-Making, and is used for pre-defined packages of equity and/or equity index options, e. g., options on pan-European indexes and their component shares, as well as a package of options on fixed income futures.

Advanced Market Makers for equity and equity index options are obliged to quote calls and puts in six exercise prices out of an exercise price window of nine exercise prices around the current underlying price for every expiration within the maturity range. For options on fixed income futures, Advanced Market Makers are obliged to quote calls and puts in four exercise prices out of an exercise price window of seven exercise prices around the current underlying price in the first two contract months.

Regular Market-Making (Quotation on Request)

Any member may enter quote requests for options as well as option combinations. Licensed Regular Market Makers take on the obligation to supply quotes in response to quote requests in all exercise prices and all expirations. The products in which partici-pants would like to act in as a Regular Market Maker can be selected individually.

A quote must be entered within a specified time after the quote request has been issued, as determined by the exchange. A minimum period for maintaining quotes in the Eurex® system is stipulated. While there is no obligation for Market Makers to respond to strategy quote requests, they are free to do so. Strategy quotes are written to a separate order book.

Designated Market-Making

For futures any market member may enter quote requests. Also, any member wishing to submit a quote can do so.

For certain selected futures products, Designated Market Makers take on the obligation to submit corresponding quotes for a defined period, subject to a minimum quote size and maximum spread.

Risk Protection for Market Makers

The Eurex® system provides Market Makers in PMM and AMM with various features for system-based risk protection. With these tools Market Makers can significantly constrain operational and market risks.

The application forms for these protection features can be found on the Eurex website: **www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms > Market-Making.**

Market Maker Protection Tool

The Market Maker Protection Tool prevents too many simultaneous trade executions on quotes provided by a Market Maker, offering additional control of market risk.

The Protection Tool counts the number of traded contracts per product on Market Maker's quotes within a time frame of measured in seconds that the Market Maker can define. Market Makers can set risk thresholds per product (or profile) and member subgroup combination for a defined time interval, for both regular and strategy quotes.

The selection of a profile will result in risk values being set for all products contained in that profile for the entire trader subgroup. The following combination of values can be set for option contracts traded through the quotes of a defined subgroup:
● Volume: total number of contracts
● Vega: absolute number of contracts purchased less the number of contracts sold
● Delta: absolute number of (long calls + short puts) – (short calls + long puts)

The counters will start counting again from zero if the time gap between the last trade on the specific quote and the trade before it occurred is longer than the given time interval. When any of the set thresholds is reached or exceeded through execution of a quote, a mass quote hold for the members' subgroup quotes of the respective product will be automatically triggered. New quote entries by the respective member subgroup will be rejected until a new set of limits has been submitted by the member.

Market Maker Connection Monitor

The Market Maker Connection Monitor is software installed by the Eurex Exchanges upon request of the Permanent and Advanced Market Maker. It monitors the connection between the Eurex back-end and a dedicated MISS of an exchange participant. In case of connectivity loss between the Eurex back-end and the dedicated MISS for a defined period of time, a deletion of all quotes entered under the respective member ID and the explicitly assigned trader subgroup will be triggered.

Market Maker Heartbeat

The Market Maker Heartbeat limits the operational risk for Market Makers quoting continuously. A predefined "Keep Alive" signal between the Market Maker's quote machines dedicated to this purpose, via the respective MISS, and the Eurex back-end

delivers protection against technical failure by either the customer software or the Eurex infrastructure. An interruption of the signal triggers immediate deletion of all outstanding quotes entered by this subgroup if no further signal arrives within a preset period of time

Order Entry Safeguards

There are several safeguards that have been instituted by Eurex to reduce the possibility of an execution not reflecting a fair and liquid market price.

Protection Mechanisms for Market Orders

Market Order Matching Range for Market Orders in Futures

The Market Order Matching Range (MOMR) is intended to prevent a market order in a temporarily illiquid futures contract from being filled at an extreme price. Market orders are matched as soon as possible at the best available price, but only within a maximum range around the last reference price, which is the last traded price generated by the matching of two single-leg quotes or limit orders. MOMR sizes vary from product to product and they can be found on the Eurex website:

www.eurexchange.com > Member Section > Trading Information > Matching Rules > Market Order Matching Range.

If a market order cannot be filled within the MOMR, or if there are no contra-side orders, it remains in the central order book, until either a contra-side quote or limit order within the range of the MOMR, or else two tradable limit orders or quotes are entered, which determine a new reference price without being executed against each other. Existing market orders continue to take priority in execution over limit orders.

Market orders triggered by stops are also subject to the Market Order Matching Range.

Protection of Market Orders in Options

Market orders on option contracts may only be executed with quotes contained in the order book and with those orders that are as good as (or better than) the least favorable quote for that contract. This provides protection for the trader because:
- constraints of minimum size and maximum spread on quotes ensure that all quotes are tradable at economically reasonable levels in meaningful volumes,
- in the absence of a tradable quote, a market order is not automatically matched against an uneconomic limit order.

Market orders entered during the Trading Period shall be executed with limit orders and quotes contained in the order book in the order from the most favorable price to the price of the least favorable quote. Any unexecuted market orders are transferred into the order book, and an automatic quote request for the option contract is generated.

Market orders remaining in the order book must wait for a new incoming quote, which will provide a limitation on the possible price range for the execution of the existing market orders, or for two executable limit orders, which do not execute against each other, as the market order will take priority over the limit order on the same side.

Quotes that define the possible price range for market orders must be in the regular option series.

"Price-Not-Reasonable" Check

In the Eurex® system, limit buy orders at a price level beyond a pre-defined range above the last price and limit sell orders at a price level below a pre-defined range under the last price generate a Price-Not-Reasonable message in the order entry window. If the last price is not available, or the bid/ask spread has moved through the last price, then the appropriate bid or ask price may be used in place of the last price.

The order may still be entered by confirming the limit price. This is done by resubmitting the order, after having checked the limit for correctness.

The full rules for the "Price-Not-Reasonable" check and the product-specific ranges can be found on the Eurex website:
www.eurexchange.com > Member Section > Trading Information > Matching Rules > Price-Not-Reasonable-Check.

Extended Order Validations for Futures

There are two additional checks made by the Eurex® system on futures orders, briefly described below. More details can be found on the Eurex website:
www.eurexchange.com > Member Section > Trading Information > Matching Rules > Extended Order Validation.

Maximum Order Quantity
Market orders and stop orders for futures products traded under price/time priority are subject to a product-specific maximum order quantity. Orders above this size will be rejected by the Eurex® system and must be entered as multiple orders.

Invalid Price
During the Trading Period, the prices of limit orders and quotes for futures products traded under price/time priority are subject to an additional plausibility check against a reference price. Orders and quotes deviating significantly from the reference price will be rejected by the Eurex® system. The reference price for buy orders will be the best ask, and for sell orders the best bid. If no reference price is available, no check is made.

Wholesale Trading

Wholesale trading refers to the facilities Eurex provides for the trading and clearing of larger size orders. It too covers OTC trading, which allows for the entry of off-exchange trades for clearing and margining, including trades with non-standard terms, and the Block Auction facility, an anonymous price-finding mechanism for large sized orders that is separate from the regular order book crossing mechanism.

To accommodate the larger size orders, the maximum order quantity of Eurex wholesale trading is defined separately from the maximum order quantity for regular and strategy orders or quotes.

Block Auction

The Block Auction provides for large sized orders in regular option series, futures contracts and strategies to be executed through an anonymous auction that is entirely separate from the normal order book crossing mechanism.

A Block Auction is initiated by a Block Auction request submitted by a market participant (requester), specifying the desired quantity of a specified option series, futures contract or strategy.

The requester is not disclosed to the market, but a requester rating is displayed, reflecting the past "willingness to trade" of the requester

The requester can attach an order to the Block Auction request by specifying a price and side for the Block Auction request. The attached order serves as a trigger for an automatic acceptance of the Block Auction.

A Block Auction request can only be submitted in the product states Trading or Fast Market. A Block Auction is subject to a Requester Minimum Size, specified by product.

Any market participant can respond to a Block Auction request by entering two-sided Block Auction quotes and associated quantities. The spread on these quotes is not validated. The identities of the responders are kept hidden from the market.

If not closed by the requester, the auction proceeds in two phases within predefined time periods:
- During the Auction Period, all authorized market participants are able to enter, delete and modify Block Auction quotes.
- During the Post-Trading Restricted Period, market participants who entered a Block Auction quote that is still in the order book are able to improve it by entering one with a better price, i.e. a smaller or equal quote spread, and/or an equal or higher quantity. Only for products in Fast Market status can responders delete their Block Auction quotes or make arbitrary price changes.

The length of the auction periods is defined independently for different products, depending on whether the Block Auction is performed for a regular contract, a strategy or a volatility strategy.

The match price of the Block Auction trade is the price of the last unit of the responders quotes fulfilling the requested quantity within the limit price entered by the requester.

During a Block Auction the rating of the requester, the start time of the Block Auction and the auction state are displayed to all market participants; the indicative auction price and the executable volume are calculated and broadcasted only to the participants in the auction. The requester receives private information about the available quantity at the requested price, while the responders receive private information about the marketability of their quotes.

Closing of a Block Auction
A Block Auction closes either:
● with an execution of a trade through the Block Auction;
● by the cancellation of the Block Auction by the requester; or,
● by the deletion of the Block Auction by the Eurex® system.

A Block Auction can close with execution either by its automatic acceptance, when the price of the order attached to the Block Auction is reached for the requested quantity, or if the requester manually accepts the auction price. The requester can either accept the current indicative auction price and executable volume or, if an order was attached, the executable volume at his requested price. A Block Auction trade is generated, and its details are disclosed to all market participants.

A Block Auction can close if it is cancelled by the requester, which is possible at any time during the Block Auction.

If any of the product legs changes its product state to Halt, Post-Trading Full, Post-Trading Late1, Post-Trading Late2 or Post-Trading Restricted Period, or if the time period of the Post-Trading Restricted Period has been exhausted without its acceptance, the Block Auction request is deleted by the Eurex® system.

If, after the Block Auction is closed, the remaining responders' quotes produce a crossed order book, these orders are crossed using standard auction matching principles. The trade price resulting from the uncrossing is independent from the one for the Block Auction.

If a Block Auction is deleted by Eurex, responder's quotes are also deleted.

A Block Auction trade does not result in an official exchange price.

OTC Trade Entry

The OTC functions in the Eurex® system allow traders to record transactions negotiated off-exchange for the purpose of settlement and margining at Eurex Clearing AG, the Eurex Clearing House. There are different types of OTC transactions:

OTC Transaction	Description
Flexible Options Trade	Purchase or sale of a user-defined series of a traditional style (cash or share settled) or futures style option where the price has been agreed off-exchange
Exchange for Physicals – Fixed Income Futures (EFP-Trade)	Simultaneous purchase of a fixed income future and sale of qualifying bonds
Exchange for Physicals – Equity Index Futures (EFPI-Trade)	Simultaneous purchase of an equity index future and sale of qualifying cash equities
Exchange for Swaps (EFS-Trade)	Simultaneous purchase of a future and sale of a plain-vanilla swap denominated in the currency of the future
Vola Trade	Purchase or sale of a future as a delta-weighted hedge to an existing option position on the same underlying instrument

All forms of OTC transaction work on a similar principle. One participant, usually the buyer of the Eurex product, enters the terms of the transaction, including the counterparty's member ID. Either counterparty, however, can enter a Vola Trade or a Flexible Option Trade. The counterparty reviews the terms of the transaction and, if correct, accepts the transaction. It is common for OTC transactions to be confirmed separately, but the terms of the transaction as recorded at Eurex must also be carefully reviewed, since they provide the basis for actual settlement. Once accepted, the transaction becomes part of the day's transactions for both members.

The prices of OTC option transactions are validated by the exchange. The price validation logic is harmonized across all OTC trade types. For options, the validation logic includes theoretical prices based on the underlying, in addition to the contract's daily high and low price.

Until they are accepted by the counterparty, OTC transactions can still be modified by the submitting member. OTC transactions must be approved within 30 minutes of entry and by the end of the Post-Trading Full Period. If approval of an OTC transaction is not done within 30 minutes of entry (or, if it has been modified, its last modification), the transaction becomes inactive. The buyer can reactivate an OTC transaction during the current business day by retrieving it and resubmitting it. The seller of the future cannot make any modifications to the transaction, but can only approve it, or do nothing. Once an OTC transaction has been accepted, however, there is no way to modify or cancel the transaction through the Eurex® system. Eurex will cancel an OTC transaction upon concurrent application by both counterparties who originally entered the trade, but a cancellation fee will be charged to both sides.

OTC trades are not considered official exchange trades. Consequently, the trade prices are not official exchange prices.

For OTC transactions that require a cash transaction external to Eurex (EFP, EFS), there is no processing of the cash transaction in Eurex, but proof of the cash leg is a prerequisite for recording the derivative transaction.

OTC Block Trade

An OTC Block Trade is a trade in a standardized Eurex product where the price has been negotiated off-exchange. The exchange defines a minimum number of contracts for an OTC Block Trade for each product admitted to block trading.

Upon entry of a block trade, a transaction number is assigned to the trade. The buyer must communicate the transaction number to the seller, who uses it to retrieve the transaction for approval.

OTC Flexible Options

An OTC Flexible Options Trade is a trade in an option on a recognized eligible Eurex product, but with a user-defined exercise price, expiration day and exercise style (American or European), where the price has been negotiated off-exchange.

Eligible products are traditional style options (cash or share settled) or futures style fixed income options.

Flexible Options are available for OTC trading exclusively. No on-exchange trading of Flexible Options is provided.

Either counterparty can enter an OTC Flexible Options Trade.

The exercise price of an OTC Flexible Options Trade must be within the highest and lowest exercise prices of the regular option series that expires most closely after or at the expiration date of the OTC Flexible Option Trade. The expiration date can be any business day prior to the latest expiration date of the related regular series, with the exception of the day before the next dividend payment on the underlying stock.

Upon entry of the OTC Flexible Options Trade, a transaction number is assigned to the trade. The party entering the trade must communicate the transaction number to the counterparty, who uses it to retrieve the transaction for approval.

OTC Flexible Options Trade must be approved within 30 minutes of entry and latest by the end of the time frame for OTC Block Trading.

The approved OTC Flexible Option Trade can be seen via the Flexible Options Entry window or the Online Time and Sales Sheet window.

Both counterparties have the ability to close their position by entering into equivalent offsetting OTC Flexible Options transaction with the original or another counterparty.

In case of exercise, the counterparty of the original transaction, or, if the original counterparty has closed his position, the assuming counterparty of the closing transaction, receives the assignment.

If a regular option series is opened with the same parameters as an open OTC Flexible Options Trade, the members can request the transfer of their OTC Flexible Options Trade into the regular series by Eurex Market Supervision.

OTC Exchange for Physicals Financials Trade (EFP-Fin Trade)
An OTC Exchange for Physicals Financials (EFP-Fin) Trade requires the entry of both a fixed income futures purchase and a corresponding bond sale, including settlement information for the bonds. The transaction must be entered by the buyer of the future. The bond can be denominated in the currency of any OECD member state, but the bond position must have a price correlation to the futures position such that the future represents an appropriate hedge instrument for the bond.

Upon entry of the EFP-Fin Trade, a transaction number is assigned to the trade. The buyer must communicate the transaction number to the seller, who uses it to retrieve the transaction for approval.

The approved EFP-Fin Trade can be seen in the trade books of both participants.

Both counterparties must provide Eurex with delivery confirmation upon request. The delivery confirmation must clearly state that such cash transactions have been concluded in conjunction with the corresponding EFP-Fin Trade's futures transaction.

OTC Exchange for Physicals Index Futures Trade (EFPI Trade)
An OTC Exchange for Physicals Index Futures (EFPI) Trade requires the entry of both an equity index futures purchase and a corresponding cash securities sale, including settlement information for the cash securities. The transaction must be entered by the buyer of the future. The nominal value of the basket must exceed a predefined minimum, and the basket must meet certain criteria relating to its similarity to the index future.

Upon entry of the EFPI Trade, a transaction number is assigned to the trade. The buyer must communicate the transaction number to the seller, who uses it to retrieve the transaction for approval.

The approved EFPI Trade can be seen in the trade books of both participants.

Both counterparties must provide Eurex with delivery confirmation upon request. The delivery confirmation must clearly state that such cash transactions have been concluded in conjunction with the corresponding EFPI Trade's futures transaction.

OTC Exchange for Swaps Trade (EFS Trade)
An EFS Trade is similar to an EFP Trade, except for the fact that the "cash" component is a qualifying plain vanilla swap (a swap having an annual fixed rate payment against a regular floating rate payment). The swap can be in the currency of any OECD member state, but must have a price correlation to the futures position such that the future represents an appropriate hedge instrument for the swap.

The buyer of the futures enters an EFS Trade.

Upon entry of an EFS Trade, a transaction number is assigned to the trade. The buyer must communicate the transaction number to the seller, who uses it to retrieve the transaction for approval.

The approved EFS Trade can be seen in the trade books of both participants.

Upon request of Eurex, the participants have to substantiate the underlying swap transaction by providing a transaction ticket that contains, at a minimum:
- nominal value
- date of start and maturity
- fixed coupon
- counterparties of the swap transaction.

OTC Vola Trade
An OTC Vola Trade is a futures trade delta-hedging an existing options trade on the same underlying instrument. The options trade can be either an exchange trade or an OTC Block Trade.

Either counterparty can enter an OTC Vola Trade.

To enter an OTC Vola Trade, a specific options transaction number must be entered. Once the options trade is retrieved, the number of contracts devoted to the OTC Vola Trade must be entered.

Upon entry of an OTC Vola Trade, a transaction number is assigned to the trade. The party entering the trade must communicate the transaction number to the counterparty, who uses it to retrieve the transaction for approval.

Further details about Eurex Wholesale and OTC facilities are available on the Eurex website: **www.eurexchange.com > Trading > Market Model > Wholesale Trading**.

Regulating the Marketplace

Various entities are responsible for operating or overseeing the business operations of Eurex, as well as dealing with disputes or events involving rule violations. In the table below, there are separate columns for Germany (Eurex Deutschland) and Switzerland (Eurex Zürich), because the two entities have distinct, albeit similar, structures:

General Name	Function	Germany	Switzerland
Exchange Supervisory Authorities	Supervise operations of respective Eurex Exchange	Competent highest state authority in the State of Hesse	Swiss Banking Commission
Exchange Council/ Administrative Council	Supervise respective Boards of Management	Exchange Council	Administrative Council
Boards of Management	Control organization and business operations of respective Eurex Exchange	Board of Management	Board of Management
Market Surveillance	Monitor futures and options trading/settlement activity, and collection data	Trading Surveillance Office	Eurex Surveillance Office
Arbitration Panel	Resolve disputes from futures and options transactions	Joint Arbitration Tribunal	Joint Arbitration Tribunal
Disciplinary Committee	Investigate and penalize violations of exchange laws and breaches of commercial trust	Disciplinary Committee	Disciplinary Committee

All traders on Eurex are required to pass a trader exam that includes a section covering the rules and regulation that apply to trading activities at Eurex. The most important aspects of the regulatory environment are reviewed in the following sections.

Eurex Market Supervision

On a day-to-day basis, participants may contact Market Supervision, the Eurex department responsible for the functional operation of all trading activities on the Eurex® system. Among the ways participants can interact with or otherwise be affected by Eurex Market Supervision are:

- Eurex Market Supervision can control the status of trading, for example, by freezing the book during the opening process, or by instituting a "Fast Market" during times of high volatility.
- They are the point of contact at Eurex for identifying mistrades.
- They are the point of contact if a member loses access to the Eurex® system and needs orders and quotes entered, modified and deleted "on behalf".

● They operate the helpdesk, available throughout the trading day to assist members and answer questions about the Eurex market, the operation of the Eurex® system and functional simulation support.

Information on how to contact Eurex Market Supervision can be found in the "Contacts" section.

Cross and Pre-arranged Trades

A cross trade is a trade where a member trades against an own order in the order book. In a pre-arranged trade, orders from at least two members are executed against each other as previously negotiated. Cross and pre-arranged trades may not knowingly be entered into the Eurex® system by a member, unless the member precedes the cross or pre-arranged trade with a cross request. A market member is required to enter a cross request to inform the market of his intention to execute a cross or pre-arranged trade. For a pre-arranged trade, responsibility for the cross request lies with the buyer. As soon as a cross request is entered into the Eurex® system, all market participants have the opportunity to enter corresponding orders (or quotes, depending on the product and the status of the market participant).

After entering a cross request, the initiating market member (or members, for a pre-arranged trade) must enter the matching orders (or quotes, depending on the product and the status of the market member). Orders must be entered within a certain time frame: the market member has to wait five seconds before entering matching orders/ quotes, and then has 60 seconds to get the orders in. The orders are also subject to a minimum quantity based on the size of the original cross request, further limited by the minimum quote size (for options) or five contracts (for futures).

The exchange may also stipulate at any time a maximum size for a cross trade.

Cross requests are possible for option contracts, futures contracts, futures spreads and strategies.

The current parameters for crosses and pre-arranged trades can be found on the Eurex website at **www.eurexchange.com > Products** by selecting the product group of interest.

Mistrades

A mistrade is a trade which was erroneously entered, and which deviates considerably from the market price, defined as the reference price.

An entry may be deemed a mistrade if it deviates from the reference price by more than the product-specific range defined by the exchange.

The procedures for determining the reference price for each product can be found in the implementation regulations for the handling of erroneous entries at Eurex Deutschland and Eurex Zurich, which are available on the Eurex website: **www.eurexchange.com > Documents > Rules & Regulations > Mistrade Regulations.**

The individual mistrade parameters by product can be found on the Eurex website in the Contract Specifications for the product under Mistrade Ranges.

Mistrade parameters are also published periodically by circular.

In the event of causing a mistrade, a trader should immediately contact the trading helpdesk (Eurex Market Supervision), identify the mistrade and explain the error.

Any objection to the contents of a transaction confirmation must be delivered to Eurex Market Supervision, by phone or by fax, not later than 30 minutes after the trade.

The final determination of a mistrade is made by the Boards of Management of Eurex. If it is decided that a trade is a mistrade, it is cancelled, and the transaction is removed from the books of both the buyer and the seller. Cancellation is achieved through the processing of a counter-transaction at the price of the mistrade. Also, a handling fee is charged to the member who caused the mistrade.

Position Limits

Eurex may set position limits in order to ensure orderly options and futures trading and to avoid risks for the underlying markets. A position limit is a maximum number of contracts that may be held by one member or one customer for its own account. Participants that are not Market Makers for a product may not exceed the position limits for that product at any time during the Trading or Post-Trading Full Periods. Positions held on the basis of arrangements with third parties for a common purpose shall be included in any determination of compliance with position limits.

For futures, the position limits for each product are defined in terms of a maximum long position in the front month contract (regardless of any offsetting short positions in that same contract) and normally only apply during a short period of days prior to maturity, as announced by the exchange.

For equity options, the position limits for each product that is not cash-settled shall be fixed as a fraction of the capital freely available for trading. Only long call positions are considered in assessing adherence with position limits.

Eurex may determine special position limits for participants holding Market Maker admissions, to facilitate their function as providers of liquidity.

A Market Maker may, in the course of a Trading Period, temporarily exceed the position limits with respect to contracts for which it is obligated to provide quotes. By the end of the Trading Period, however, Market Makers must be in compliance with the position limits.

Eurex may change position limits in order to maintain an orderly market. New limits shall become effective not before the sixth exchange day following the date of their announcement to the participants.

Parameters for position limits can be found on the Eurex website at **www.eurexchange.com > Products** by selecting the product group of interest.

Trading On Behalf

Eurex offers its members the possibility of trading "on behalf" in the event of technical problems. Each participant has to notify the trading help desk immediately if trading activities or the ability to exercise contracts are impaired or made impossible.

All "trading on behalf" orders have to be placed by telephone. These orders are then entered into the system by Eurex personnel. The orders have to be confirmed by fax immediately. The trader must provide the eleven character ID, which consists of the five-character Member ID (for example, ABCFR) and the six-character user ID (for example, TRD001).

Clearing transactions can also be performed "on behalf".

Eurex has established a mechanism for allowing the Mass Deletion of orders through the use of a PIN UserID set up for the member. Once a PIN has been established for the member, the Mass Deletion of orders can only be done by using the PIN. The already existing procedures for "trading on behalf" remain unaffected.

In the event of a technical problem, a Market Maker is released from all Market-Making tasks and obligations. New quotes will not be accepted. The instructions Mass Quote Hold and Mass Quote Delete can be made for M1 and M2 accounts.

As soon as participants are able to resume trading, they must inform Eurex Market Supervision immediately.

Suspension of Trading

Suspensions of trading are extremely rare. There are, however, two causes for suspensions: technical problems and volatility interruptions.

Technical Problems

In the event of suspension of trading due to technical problems, Eurex places the market on "Halt" status, so that no more entries can be made.

The resumption of trading after a trading suspension is like a new opening process, and starts with a new Pre-Trading Period. Subsequently, trading will proceed consistently with the periods of the trading day.

Volatility Interruption

A volatility interruption can only occur for futures traded with price/time priority. The purpose of the volatility interruption is to prevent or limit market movements that are suspected of being caused by orders entered erroneously, or which would give rise to extensive stop order cascades. Volatility interruptions occur only in exceptional cases.

A volatility interruption is triggered if a trade price is outside a dynamically calculated percentage-based price range determined on a per product basis. Separate ranges can be set for normal trading and for a "Fast Market".

OTC trades cannot trigger a volatility interruption. Combination trades cannot themselves trigger a volatility interruption; if a combination is executed against two separate orders in the individual contracts, however, either of those trades may trigger a volatility interruption.

The trade that triggers a volatility interruption executes normally, and any stop orders triggered by that execution are entered into the order book as market orders. The Trading Period changes to "Halt", then a normal opening process begins. The period changes to Pre-Trading, then Pre-Opening, during which a potential price is reported. Eventually, Eurex Market Supervision sets the market back to a normal Trading Period.

Miscellaneous Provisions

Final Settlement Determination

There are two ways in which final settlement is achieved for Eurex contracts. Some contracts are settled through "physical delivery", such that an actual transaction in the underlying is generated. The underlying can be a security or a Eurex futures contract. Contracts can also be settled through cash settlement – a final settlement price for the underlying is calculated, and outstanding contracts become obligations to pay and rights to receive cash. The following table summarizes the forms of final settlement for Eurex products:

Product	Form of Final Settlement
Fixed Income Futures	Physical delivery of bonds
Options on Fixed Income Futures	Creation of futures contract
Money Market Futures	Cash settlement
Options on Money Market Futures	Creation of futures contract
Single Stock Futures	Cash settlement
Equity Options	Physical delivery of shares
Equity Index Derivatives (Futures and Options)	Cash settlement
Volatility Index Futures	Cash settlement
Credit Futures	Cash settlement
ETF Derivatives (Futures and Options)	Physical delivery of ETF shares

For contracts requiring physical delivery, there is usually no calculation necessary. The terms of the contract clearly state the terms of the resulting purchase or sale.

The exception to this occurs with bond settlements resulting from fixed income futures. For these contracts, a factoring process is used to translate the final settlement price of the contract into a transaction price for the notified bonds being delivered.

More information on the calculation of the bond settlement price can be found in the Eurex brochure "Interest Rate Derivatives – Fixed Income Trading Strategies", which can be downloaded at **www.eurexchange.com > Documents > Publications**.

Below, we outline the methods used for final cash settlement of Eurex derivatives.

Determination of the Final Settlement Price for Money Market Futures

- EONIA Futures
  Established by Eurex on the Final Settlement Day after 19:00 CET; based on the compounded average of the effective overnight reference rate for the euro (EONIA) as calculated by the European Central Bank on a daily basis for the period of the contract. To fix the Final Settlement Price the compounded EONIA average rate will be arithmetically rounded to the nearest price interval (0.005; 0.01 or a multiple thereof) and then subtracted from 100.

- EURIBOR Futures
  Eurex establishes the Final Settlement Price at 11:00 CET on the Last Trading Day, based on the reference interest rate (EURIBOR) for three-month euro term deposits as determined by FBE/ACI. To fix the Final Settlement Price, the EURIBOR rate is rounded to the nearest price interval (0.005; 0.01 or a multiple thereof), and is then subtracted from 100.

Single Stock Futures

For Single Stock Futures, Eurex takes as its Final Settlement Price for the underlying shares the official closing settlement price as determined by the electronic trading system applicable for the underlying shares on the Final Settlement Day.

Determination of the Final Settlement Price for Equity Index Derivatives

The range of Eurex equity index products is constantly expanding, but with largely harmonized product specifications.

All products are traded and settled in euro, with the exception of:
- Futures and Options on the Swiss equity index SMI® (CHF),
- Futures on the Swiss equity index SMIM® (CHF) and
- Futures on the Russian equity index RDXxt® USD – RDX Extended Index (USD).

All equity index options are European-style, meaning exercises are only possible on the respective expiration date. All index products are cash-settled, since a physical delivery of the underlying index would be unpractical. The products differ with respect to the method used to determine the Final Settlement Price on which the cash settlement is based.

Seven different methods exist:

Method 1	Futures and Options on the Dow Jones EURO STOXX 50® Index
	Futures and Options on the Dow Jones STOXX 50® Index
	Futures and Options on the Dow Jones STOXX® 600 Index
	Futures and Options on the Dow Jones STOXX® Mid 200 Index
	Futures and Options on the Dow Jones EURO STOXX® Sector Indexes
	Futures and Options on the Dow Jones STOXX® 600 Sector Indexes

The Final Settlement Price is established at 12:00 CET on the Last Trading Day, and is based on the average of the respective Dow Jones STOXX index calculations from 11:50 to 12:00 CET on the Last Trading Day.

Method 2	Futures and Options on the SMI®
	Futures on the SMIM®

The Final Settlement Price is the value of the SMI® respectively SMIM®, determined on the basis of virt-x, respectively SWX (Swiss Exchange) opening prices of the respective index component shares.

| Method 3 | Futures and Options on the OMXH25 Index |

The Final Settlement Price is the OMXH25 index value based on the volume-weighted average prices of the OMXH25 component shares from 08:40–17:30 CET on the Last Trading Day.

Method 4	Futures and Options on the DAX®
	Futures and Options on the TecDAX®
	Futures on the MDAX®

To better illustrate the method used to determine the settlement price for these products, as well as the transparency of the calculation process, we cover this process in a more detailed manner.

Trading in expiring series or maturing contracts ceases at the start of the call phase of the intraday auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®) at 13:00 CET for the DAX® and TecDAX® and at 13:05 CET for the MDAX®. The settlement index value that is used as the Final Settlement Price for both futures and options is calculated on the basis of the auction prices determined via this auction.

The Xetra® auctions in the various component shares may be terminated at different times. This is due to the fact that the call phase of the auction has a random end in order to prevent manipulation. Also, the length of each auction may be extended by a volatility interruption. Consequently, prices on which the settlement index is based may have been determined as much as 9.5 minutes apart from each other. While the index determined in this way would generally fall within the interval of DAX® values during the fixing period from 13:00 to 13:15 CET, it may also diverge significantly. This is due to the fact that the continuous calculation of the DAX® (which is calculated and published every second) never comprises all share prices used for the calculation of the settlement price at the same time. In a situation where all auction prices represent daily highs or lows of the corresponding shares, the resulting settlement index may diverge significantly from the DAX® levels published on a continuous basis. Therefore, the method used does not constitute a distortion or manipulation of the settlement price. Quite to the contrary: the procedure effectively serves to prevent manipulation. Since the Xetra® auction may be used to cover or dispose of existing cash positions, the hedging opportunities are excellent.

| Method 5 | Futures and Options on the Dow Jones Global Titans 50SM Index |

The Final Settlement Price is the average of the Dow Jones Global Titans 50SM Index values calculated between 16:50 and 17:00 CET on the Last Trading Day, and is determined at 17:00 CET on the Last Trading Day.

Method 6   Futures and Options on the Dow Jones Italy Titans 30[SM] Index

The Final Settlement Price is the value of the Dow Jones Italy Titans 30[SM] Index, calculated on the basis of the Borsa Italiana opening prices of the Dow Jones Italy Titans 30[SM] Index component shares on the Final Settlement Day.

Method 7   Futures on the RDXxt® USD – RDX Extended Index

Value of the RDXxt® USD – RDX Extended Index, determined on the basis of the closing prices determined at London Stock Exchange (international order book) for the components of the RDXxt® USD – RDX Extended Index on the Final Settlement Day.

Determination of the Final Settlement Price for Volatility Futures
For volatility futures, Eurex takes the average of the respective volatility index values calculated over the relevant time period on the Last Trading Day:
- VDAX-NEW®: between 12:30 and 13:00 CET,
- VSTOXX®: between 11:30 and 12:00 CET,
- VSMI®: between 9:00 and 10:00 CET.

The Final Settlement Price is determined at 13:00 CET for the VDAX-NEW®, at 12:00 CET for the VSTOXX® Index and at 10:00 CET for the VSMI®.

Determination of the Final Settlement Price for Credit Futures
The Final Settlement Price is established at 17:00 CET on the Last Trading Day in percent as the sum of
- the basis determined as the $\sum n_i$, whereby n_i represents the weight of the i'th reference entity in the underlying index series, which has not experienced an actual credit event (basis = 100, as long as no credit event has occured);
- the present value change of the underlying index series resulting from the change of the credit spread in relation to the basis. The present value calculation on the final settlement day is based on the official iTraxx® Index levels as published by IIC at 17:00 CET and the deal spread (coupon) of the underlying index. The mid spread reflecting the mid point between the bid and ask spreads of the official iTraxx® Index levels are considered for the present value calculation.
- the accrued premium calculated from the effective date of the underlying index series based on the coupon fixed for the underlying index series;
- and, if applicable, the proportional recovery rate of the reference entity in the underlying index series, which experienced an actual credit event;

The calculated Final Settlement Price will be determined with four decimal places and rounded to the next possible price interval (0.0005; 0.001 or a multiple thereof).

Adjustments to Eurex Equity Options and Single Stock Futures Due to Corporate Actions

At the Eurex Exchanges, the range of derivatives on international stock corporations continues to grow. In the case of capital adjustments of quoted stock corporations, not only the traded equities but also the corresponding equity options and Single Stock Futures (SSF) are affected. All equity options and Single Stock Futures adjustments at the Eurex Exchanges are subject to the principle of unchanged contract values. Hence, Eurex options and Single Stock Futures must represent the same rights/contract values before and after a capital adjustment.

The German Stock Corporation Law (Aktiengesetz) and the Swiss OR (Obligationen-recht) allow a variety of capital adjustments. These capital adjustment types apply not only to German and Swiss equity options but also to all other Eurex equity option segments, such as French, Dutch, or Finnish equity options as well as Single Stock Futures. It is possible that other countries have additional types of capital adjustments that are not mentioned below. Furthermore, other adjustment types may exist and could apply to individual cases (for example, the issuance of put options as part of a share buy-back program).

Eurex continues to harmonize its treatment of corporate actions across underlying markets, as well as bringing its treatment in line with other exchanges.

This section provides an overview of the major capital adjustment types and illustrates their effects on Eurex equity options contracts as applied to German and Swiss equity options.

Increase of Capital by Issuing New Shares with Full Dividend Rights (Rights Issue)
If a quoted company wishes to increase its nominal capital, it can issue extra shares in an approved capital increase. The new shares issued are called "new" or "young" shares. To allow shareholders to maintain their proportion of the capital of the company, they are granted the right to purchase new shares. This right is called a "purchase right" or "subscription right". Following the announcement of a capital increase, there is normally a period during which the shares are traded "cum-rights", – anyone buying the share also acquires the rights. A date is also set for the official listing of the new shares (the ex-date). For Eurex options, the changes resulting from a capital adjustment are put into effect for the start of trading on the ex-date.

Example:

A quoted stock corporation increases its nominal capital of EUR 40 million by EUR 10 million. This gives a relation of 4 : 1, so a shareholder is given the right to obtain one new share for every four old shares. The price of the old share on the Last Trading Day cum-rights is EUR 349.00. The issue price of the new share is set at EUR 275.00.

The value of the purchase is calculated as follows:

4 old shares cost 4 × EUR 349,00 =		EUR 1,396.00
1 new share costs EUR 275,00 =		EUR 275.00
therefore		
= 5 shares cost		EUR 1,671.00

Each share costs on average EUR 334.20

The formula used for the calculation of the subscription rights reads as follows:

$$\text{Value of the subscription right} = \frac{\text{Price of the old share} - \text{Price of the new share}}{\text{Subscription ratio} + 1}$$

For this example the calculation reads as follows:

$$\text{Value of the subscription right in EUR} = \frac{349 - 275}{(4/1) + 1} = \frac{349 - 275}{5} = 14.80$$

Let us now see how this influences Eurex equity options:

With the help of the capital variation ratio (R-factor) calculated by Eurex Clearing AG, adjustments are made to the currently traded Eurex equity options.

Formula for calculating the R-factor:

$((N_o/N_n) \times (1 - (E/S_o))) + (E/S_o) = \text{R-factor}$

N = Number of shares issued

E = Issue price of new shares

S = Share price

n = New

o = Old

In this example R-factor is calculated as follows:

$((4/5) \times (1-(275/349))) + (275/349) = 0.9576$

The old exercise price is multiplied by the R-factor to determine the new exercise price.

Old exercise price x R-factor = New exercise price = 340 x 0.9576 = 325.58

The original contract value must remain unchanged; therefore, the contract size needs to be adjusted as well.

Contract size $\times$ Old exercise price = Adjusted contract size $\times$ New exercise price
100 $\times$ 340 = 34,000 / 325.58 = 104.4290

At the exercise of adjusted contracts an integral contract size of 104 shares is delivered. The value of the remaining shares is subject to cash settlement.

This cash settlement amount is calculated as follows:

(Adjusted contract size – Standard contract size) $\times$ (Closing price on day of exercise – New exercise price)
= (104.4290 – 104) $\times$ (330 – 325.58) = EUR 1.89

For Single Stock Futures, the same adjustment is made in the number of shares underlying the futures contract, based on the settlement price from the previous day, so that the value of the contract remains unchanged.

Increase of Capital by Issuing New Shares Without Full Dividend Rights
In case a stock corporation increases capital by issuing new shares without full dividend rights, the formula for the mathematical value of the subscription right is extended by subtracting the dividend loss from the price of the old share.

Eurex equity options and Single Stock Future contracts are also adjusted accordingly.

$$\text{Value of the subscription right} = \frac{\text{Price of the old share – Price of the new share + Dividend loss}}{\text{Subscription ratio} + 1}$$

Stock Split
Quoted stock corporations often undertake stock splits, because a high share price can reduce a share's transferability. This happens by exchanging the "expensive" older shares for a larger number of new "cheaper" shares. In the case of a stock split, the initial capital is distributed over a higher number of shares.

Example:
A quoted stock corporation wants to decrease the nominal value of its shares from EUR 50.00 to EUR 5.00. This means one old share becomes ten new shares.
Split ratio (number old shares/number new shares): 1 : 10
Issuing price of the new share: EUR 0.00

Effects on Eurex equity option contracts:

The new exercise prices and the adjusted contract sizes of the Eurex equity options can be calculated with the help of the capital variation ratio (R-factor).

Old exercise price $\times$ R-factor = New exercise price

$$= 340 \times 0.1 = 34$$

$$\text{Adjusted contract size} = \frac{\text{Old contract size} \times \text{Old exercise price}}{\text{New exercise price}}$$

$$= 50 \times 340 = \frac{17,000}{34} = 500$$

Alternatively the Eurex Exchanges can decide to leave the contract size unchanged, but adjust the exercise price and the number of contracts (position) held. This can be determined case by case.

For Single Stock Futures, the number of shares underlying the futures contract and the trade price are also changed accordingly.

Mergers and Acquisitions

When a company whose shares are underlying instruments for Eurex options and/or futures is taken over, Eurex must determine what happens to these products.

If the company is acquired by way of a (majority) share offer, the current underlying will be replaced by the proposed underlying in accordance with the relevant exchange ratio, and trading in the options and/or futures contracts on the new underlying instrument will typically be continued.

In the case of a cash offer or a combined share/cash offer where it is expected that at least 67 percent of the acquisition amount is paid in cash, the relevant derivatives will be subject to cash settlement, and the remaining lifetime of the existing series may be shortened considerably compared to the previous expiration or maturity dates.

Settlement will be effected on the basis of their respective fair value, using implied volatility based on the settlement prices of the last ten days prior to the bid announce-ment. Once the previous lifetime, the respective prevailing risk-free interest rate, and the dividends expected to accumulate until the previously-stated expiration date have been taken into account, the theoretical value of each options series will be calculated on the day of the cash bid, serving as the basis for contract settlement.

Definition of Special Dividends

With equity derivatives, contract sizes or exercise prices are usually only adjusted for special dividends, not for "normal" dividend distributions. But a clear distinction between the two is difficult.

From 2007, capital reductions taking the form of a lower nominal value will be regarded as normal dividends if – as it is often the case with Swiss companies – they are paid instead of a dividend or form part of it. Guaranteed cash payments to settle subscription rights will also be treated like normal dividends.

Contract size or exercise prices will be adjusted in cases where dividends are considered extraordinarily high, as well as for anniversary bonuses, special dividends and other payments that are not distributed within the scope of a company's regular dividend policy.

Adjustments to Option Series and Single Stock Futures in the Eurex® System
At Eurex, each standard option series generally has the version number 0. In the event of a capital adjustment, existing option series have their version number increased by 1.

The exercise prices and contract sizes resulting from the adjustment will be made available to members by Eurex Clearing AG via the Market Supervision Messages window of the Eurex GUI (Graphical User Interface) immediately after the close of trading on the day before the capital adjustment takes effect. Non-members can find the relevant information on the Eurex website at:
www.eurexchange.com > Trading > Products > Equity Derivatives > Product News.

After a capital adjustment, an existing Single Stock Future contract is changed accordingly. In addition, a new Single Stock Future with standard contract size is introduced. The new Single Stock Future contract has a different product name, different ISIN but reflects the original contract size of the adjusted contract.

Usually, all open orders and quotes in the order book in the adjusted product will be deleted after close of trading on the day before the adjustment takes effect.

Fee Model

The Eurex fee model comprises different fee types for membership, trading and clearing activities and for the technical connection to the trading and clearing system. The fee model is designed to minimize entry barriers for a Eurex membership, and to encourage liquidity. Other fees are imposed to penalize misbehavior, such as late deliveries or violations of the synchronous transaction limits.

Membership Fees

Eurex does not charge admission or annual fees for Non-Clearing memberships. For a clearing membership, there is a one-off admission fee of EUR 50,000 and an annual fee of EUR 25,000. Companies may become General Clearing Members (GCM) or Direct Clearing Members (DCM) of Eurex Clearing AG and may apply for one or more of the following clearing licenses: derivatives, bonds, repo and/or equity. The one-off admission fee and the annual fee apply to all clearing members regardless of how many clearing licenses a member holds.

Transaction Fees

Transaction fees are applied to various trading and Clearing transactions, most notably for the matching and recording of trades. Fees for matching and recording of trades are charged per contract and may differ for order book and OTC transactions. For block trades in stock options, there is a maximum fee that can be applied per trade. All members are subject to a minimum quarterly fee volume of EUR 9,000. Other transaction fees are charged for exercises of options, the settlement of futures contracts and position transfers with cash amounts. Fees for the assignment of options apply only for options on futures, and are equivalent to respective matching and recording fees for the futures contract. Fees for position closing adjustments are only charged if offsetting futures positions are not closed out in the Eurex® system within a certain timeframe.

Market Makers receive a rebate on their fees for matching and recording of transaction and exercises of options in recognition of the liquidity they provide to the option market. This rebate is granted only for transactions in products or product groups for which the respective Market-Making obligations were fulfilled.

For more details and the current levels of membership and transaction fees please refer to our website **www.eurexchange.com > Documents > Rules & Regulations > Price List**.

Connection Fees

To ensure a level playing field for trading futures and options, members of the Eurex Exchanges can access the derivatives product portfolio using a standard bandwidth.

Members may access the exchange via leased line or internet connections or a combination of the two. Leased line connections always need to be configured redundantly. Members of the Eurex Exchanges who also hold a derivatives clearing license (DCM or GCM status) must be connected with at least one leased line.

For more details and the current levels of connection fees please refer to our website **www.eurexchange.com > Documents > Rules & Regulations > Fee Regulations Eurex Deutschland**.

Synchronous Transaction Limits

In order to encourage the economically efficient use of the system's resources by members, Eurex defines limits for the number of synchronous transactions that are generated on a member's front-end (MISS/workstation) and transmitted to the Eurex back-end (the central host system). Every "request" transaction that generates a response to the user (for example, Order/Quote-Add, Change, Delete or inquiries) counts as a synchronous transaction. Product-specific limits (number of synchronous transactions per product per day per member) and non-product-specific limits (number of non-product-specific synchronous transactions per day per member) are defined. Separate limits are set for the number of Mass Quote transactions that can be generated within the product-specific limits.

Synchronous transaction limits are calculated differently for futures and options.

The standard synchronous transaction limit set for futures products is also referred to as the "floor", since this level can be increased for participants with significant trading activity. For this purpose, the number of trades executed by a participant during a given trading day is multiplied by a factor: If the result exceeds the "floor" level, the transaction limit for this trading day is raised accordingly. Transaction limits for options represent a "set" number (determined by Eurex) per participant, product and trading day. Members are potentially liable for additional fees if the number of synchronous transactions entered into the Eurex® system during one day exceeds any of the limits set in each category.

For more details and the current levels of synchronous transaction limits and the associated fees for exceeding these please refer to our website:
www.eurexchange.com > Technology > Transaction Limits.

Fee Model

Appendices

Strategy Types

The Eurex Strategy Wizard℠ is a trading platform feature which facilitates trading option and option volatility strategies. It enables all market participants to trade strategies, based on predefined strategy combinations:

Option Strategies

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure (Buy Perspective)	Example
STD	Straddle	2	Buy Call, buy Put at same exercise price	OESX STD FEB09 3900
STDT	Straddle Calendar Spread		Sell Call and Put in near month, buy Call and Put in far month, all at same exercise price	OESX STDT JAN09 FEB09 3900
DIASTD	Diagonal Straddle Calendar Spread		Sell Call and Put in near month, buy Call and Put at different exercise price in far month	OESX DIASTD JAN09 4000 FEB09 3900
STD-C	Straddle versus Short Call		Buy Call, buy Put at same exercise price, sell Call at different exercise price	OESX STD FEB09 3800 versus C 3900
STD-P	Straddle versus Short Put		Buy Call, buy Put at same exercise price, sell Put at different exercise price	OESX STD FEB09 3800 versus P 3900
STG	Strangle	2	Buy Put, buy Call at higher exercise price	OESX STG JAN09 3900 – 4000
BUL	Call Spread	0	Buy Call, sell Call at higher exercise price	OESX BUL JAN09 3900 – 4000
BUL-P	Call Spread versus Short Put		Buy Call, sell Call at higher exercise price, sell Put at any exercise price	OESX BUL FEB09 3900 – 4000 versus P 3800
BER	Put Spread	0	Buy Put, sell Put at lower exercise price	OESX BER JAN09 3900 – 3800
BER-C	Put Spread versus Short Call		Buy Put, sell Put at lower exercise price, sell Call at any exercise price	OESX BER JAN09 4000 – 3900 versus C 3800
BLT	Call Calendar Spread		Sell Call near month, buy Call at same exercise price in far month	OESX BLT JAN09 FEB09 3900
BRT	Put Calendar Spread		Sell Put near month, buy Put at same exercise price in far month	OESX BRT JAN09 FEB09 3900
CDIA	Call Diagonal Calendar Spread		Sell Call near month, buy Call at different exercise price in far month	OESX CDIA JAN09 3900 FEB09 4000
PDIA	Put Diagonal Calendar Spread		Sell Put near month, buy Put at different exercise price in far month	OESX PDIA JAN09 4000 FEB09 3900
RBUL	2x1 Ratio Call Spread		Sell Call, buy two Calls at higher exercise price	OESX RBUL JAN09 3900 – 4000
RBER	2x1 Ratio Put Spread		Sell Put, buy two Puts at lower exercise price	OESX RBER FEB09 4000 – 3900

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure (Buy Perspective)	Example
CBUT	Call Butterfly	0	Buy Call, sell two Calls at higher exercise price, buy Call at equally higher exercise price	OESX CBUT JAN09 3800 – 3900 – 4000
PBUT	Put Butterfly	0	Buy Put, sell two Puts at higher exercise price, buy Put at equally higher exercise price	OESX PBUT FEB09 3800 – 3900 – 4000
IBUT	Iron Butterfly	0	Sell Put, buy Put and Call at higher exercise price, sell Call at equally higher exercise price	OESX IBUT JAN09 3800 – 3900 – 4000
CLAD	Call Ladder		Buy Call, sell Call at higher exercise price, sell Call at equally higher exercise price	OESX CLAD JAN09 3800 – 3900 – 4000
PLAD	Put Ladder		Sell Put, sell Put at higher exercise price, buy Put at equally higher exercise price	OESX PLAD JAN09 3800 – 3900 – 4000
CNV	Conversion/ Reversal		Buy Call, sell Put at same exercise price	OESX CNV JAN09 4000
COMBO	Combo		Sell Call, buy Put at lower exercise price	OESX COMBO FEB09 3900 – 3800
GUTS	Guts	2	Buy Call, buy Put at higher exercise price	OESX GUTS JAN09 3900 – 4000
BOX	Box	0	Buy Call, sell Put at same exercise price, buy Put and sell Call at higher exercise price	OESX BOX FEB09 4000 – 4100
JR	Jelly Roll		Sell Call, buy Put at same exercise price and same expiration in near month; buy Call, sell Put at same exercise price and same expiration in far month (exercise price in far month does not have to be exercise price in near month)	OESX JR DEC09 4450 JAN10 4500
CCOND	Call Condor	0	Buy Call, Sell Call at higher exercise price, sell Call at equally higher exercise price, buy Call at again equally higher exercise price	OESX CCOND JAN09 3800 – 3900 – 4000 – 4100
PCOND	Put Condor	0	Buy Put, Sell Put at higher exercise price, sell Put at equally higher exercise price, buy Put at again equally higher exercise price	OESX PCOND JAN09 3800 – 3900 – 4000 – 4100

Volatility Strategies*

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure (Buy Perspective)	Example**
CALL-U	Call Volatility Trade	1	Buy Call, sell Underlying	OESX 100 C JAN09 4000 versus 17 FESX MAR09 @ 3853
PUT+U	Put Volatility Trade	1	Buy Put, buy Underlying	OESX 100 P JAN09 3900 versus 47 FESX MAR09 @ 3945
STD+U	Straddle versus Long Underlying	2	Buy Call, buy Put at same exercise price, buy Underlying	OESX 100 STD JAN09 3900 versus 11 FESX MAR09 @ 3953
STD-U	Straddle versus Short Underlying	2	Buy Call, buy Put at same exercise price, sell Underlying	OESX 100 STD JAN09 3900 versus 12 FESX MAR09 @ 3857
STG+U	Strangle versus Long Underlying	2	Buy Put, buy Call at higher exercise price, buy Underlying	OESX 100 STG JAN09 3900 – 4000 versus 9 FESX MAR09 @ 3957
STG-U	Strangle versus Short Underlying	2	Buy Put, buy Call at higher exercise price, sell Underlying	OESX 100 STG JAN09 3900 – 4000 versus 7 FESX MAR09 @ 3945
BUL-U	Call Spread versus Short Underlying	0	Buy Call, sell Call at higher exercise price, sell Underlying	OESX 100 BUL FEB09 3800 – 3900 versus 24 FESX MAR09 @ 3857
BER+U	Put Spread versus Long Underlying	0	Buy Put, sell Put at lower exercise price, buy Underlying	OESX 100 BER JAN09 4000 – 3900 versus 22 FESX MAR09 @ 4086
BUL-P-U	Call Spread versus Short Put/ Short Underlying		Buy Call, sell Call at higher exercise price, sell Put at any exercise price, sell Underlying	OESX 100 BUL JAN09 3900 – 4000 versus 100 P JAN09 4100 versus 54 FESX MAR09 @ 4029
BER-C+U	Put Spread versus Short Call/ Long Underlying		Buy Put, sell Put at lower exercise price, sell Call at any exercise price, buy Underlying	OESX 100 BER JAN09 4000 – 3900 versus 100 P JAN09 4100 versus 54 FESX MAR09 @ 3978
BLT+U	Call Calendar Spread versus Long Underlying		Sell Call in near month, buy Call at same exercise price in far month, buy Underlying	OESX 100 BLT JAN09 – FEB09 3900 versus 11 FESX MAR09 @ 3953
BLT-U	Call Calendar Spread versus Short Underlying		Sell Call in near month, buy Call at same exercise price in far month, sell Underlying	OESX 100 BLT JAN09 – FEB09 3900 versus 12 FESX MAR09 @ 4086
BRT+U	Put Calendar Spread versus Long Underlying		Sell Put in near month, buy Put at same exercise price in far month, buy Underlying	OESX 100 BRT JAN09 – FEB09 3900 versus 25 FESX MAR09 @ 3937
BRT-U	Put Calendar Spread versus Short Underlying		Sell Put in near month, buy Put at same exercise price in far month, sell Underlying	OESX 100 BRT JAN09 – FEB09 3900 versus 25 FESX MAR09 @ 3937

* All volatility strategies are designed to give zero net delta.

** Option Quantity Unit = 100; Option Quantity Unit for ODAX® based strategies is 250. In general, Option Quantity reflects contract specifications of the respective equity option; in the case of fixed income options, each volatility strategy unit encompasses 100 options. Futures Quantity Unit can be defined on strategy creation between 1 and 100.

Strategy Short Code	Strategy Long Name	Minimum Price (No. of ticks)	Strategy Structure (Buy Perspective)	Example
CLAD+U	Call Ladder versus Long Underlying		Buy Call, sell Call at higher exercise price, sell Call at equally higher exercise price, buy Underlying	OESX 100 CLAD FEB09 3800 – 3900 – 4000 versus 19 FESX MAR09 @ 3855
CLAD-U	Call Ladder versus Short Underlying		Buy Call, sell Call at higher exercise price, sell Call at equally higher exercise price, sell Underlying	OESX 100 CLAD FEB09 3800 – 3900 – 4000 versus 11 FESX MAR09 @ 3965
PLAD+U	Put Ladder versus Long Underlying		Sell Put, sell Put at higher exercise price, buy Put at equally higher exercise price, buy Underlying	OESX 100 PLAD FEB09 3800 – 3900 – 4000 versus 50 FESX MAR09 @ 3850
PLAD-U	Put Ladder versus Short Underlying		Sell Put, sell Put at higher exercise price, buy Put at equally higher exercise price, sell Underlying	OESX 100 PLAD FEB09 3800 – 3900 – 4000 versus 35 FESX MAR09 @ 3947
COMBO +U	Combo versus Long Underlying		Sell Call, buy Put at lower exercise price, buy Underlying	OESX 100 COMBO JAN09 3900 – 3800 versus 80 FESX MAR09 @ 3871
RBUL+U	2x1 Ratio Call Spread versus Long Underlying		Sell call, buy two Calls at higher exercise price, buy underlying	OESX 100 / 200 RBUL JAN09 3900 – 4000 versus 17 FESX MAR09 @ 3853
RBUL-U	2x1 Ratio Call Spread versus Short Underlying		Sell Call, buy two Calls at higher exercise price, sell Underlying	OESX 100 / 200 RBUL JAN09 3800 – 3900 versus 1 FESX MAR09 @ 3867
RBER+U	2x1 Ratio Put Spread versus Long Underlying		Sell Put, buy two Puts at lower exercise price, buy Underlying	OESX 100 / 200 RBER JAN09 3900 – 3800 versus 5 FESX MAR09 @ 3898
RBER-U	2x1 Ratio Put Spread versus Short Underlying		Sell Put, buy two Puts at lower exercise price, sell Underlying	OESX 100 / 200 RBER FEB09 3900 – 4000 versus 13 FESX MAR09 @ 3953
CNV-U	Conversion versus Short Underlying		Buy Call, sell Put at same exercise price, sell Underlying	OESX 100 CNV JAN09 3900 versus 19 FESX MAR09 @ 4153

Glossary

Term	Description
Advanced Market-Making	A Market-Making scheme for pre-defined packages of equity and/or equity index options, for example, options on pan-European indexes and their component shares, as well as a package of options on fixed income futures.
Agent Account	Trades entered into the Eurex® system on behalf of members' customers are recorded in the agent account. Agent accounts are maintained on a gross basis, which means both long and short positions are recorded for the same option series or futures contract, as specified during order entry.
Auction Principle	A process used to match orders under the principle of maximum executable order volume, used at Eurex for the opening of trading.
Basis	The difference between the price of the underlying instrument and the corresponding futures price. In the case of fixed income futures, the futures price must be multiplied by the conversion factor.
Batch	The process of preparing the Eurex® system for the new trading day.
Block Auction	A process outside the central order book whereby a requester can initiate an auction to execute a large size order.
Block Trade	An OTC trade in a Eurex contract where the price has been agreed off-exchange.
Bond	Borrowing on the capital market that is certificated in the form of securities vesting creditors' claims.
Call Option	The right to buy an asset at a certain price at, or up to a certain date. In the case of options on Eurex fixed income futures, the contract gives the buyer the right to enter into a long position in the underlying futures contract at a set price, up to a given date. In the case of Eurex cash-settled options, a call option represents the right to receive a cash settlement if the final settlement price is higher than the option's exercise price.
Cash Settlement	Fulfillment of the obligations of a derivative contract by paying or receiving a cash sum on the basis of a final settlement price instead of physically delivering the underlying instrument.
Close-out	Liquidation (closing) of a short or long option or futures position by entering into an equal and opposite position.
Closing Auction	For designated products, an auction process used to determine a closing price.
Combination Trading	The trading of futures spreads or strategies.
Continuous Trading	The ongoing process of matching incoming orders and quotes during the Trading Period.
Corporate Actions	Changes made to the capital structure of a stock corporation, sometimes requiring modifications to the terms of listed derivatives.
Counterparty	The opposite party to a financial transaction. Normally the counterparty of the buyer of a contract is the seller of that contract. In the case of Eurex, however, Eurex Clearing AG acts as the counterparty to each party to a transaction, thereby removing counterparty risk from the members.
Coupon	(i) Nominal interest rate of a bond. (ii) Part of the bond certificate vesting the right to receive interest.
Cross Request	A notice to the market required before the intentional submission of cross or pre-arranged trade.

Term	Description
Cross Trade	A trade where the buyer and the seller are the same member. Intentional cross trades can only be attempted with the prior submission of a cross request.
Delta	The estimated change in the option price in the event of a one point change in the underlying instrument.
Derivative	Financial instrument whose value is based on an underlying instrument from which it is derived.
Designated Market Maker	Designated Market Makers are generally committed to providing quotes for a certain proportion of total trading hours for selected futures products
Eurex Bonds	An electronic platform for bond and basis trading in debt issues.
Eurex Clearing AG	The central counterparty for every transaction recorded at Eurex.
Eurex Deutschland	Eurex Deutschland is the public-law German exchange entity of Eurex.
Eurex Market Supervision	The exchange department controlling all trading activities on the Eurex® system.
Eurex Repo	An electronic trading platform for international secured lending.
Eurex Zürich	Eurex Zürich is the Swiss exchange entity of Eurex.
Exchange for Physicals (EFP-Fin, EFPI)	An OTC trade involving the execution of a futures trade as a hedge to an existing trade in an eligible OECD bond or an eligible basket of cash securities.
Exchange for Swaps (EFS)	An OTC trade involving the execution of a futures trade as a hedge to an existing swap transaction.
Executable Volume	In an auction process, the volume of buy and sell orders that can cross at a given price level.
Exercise	The option holder's declaration to either buy or sell the underlying instruments at the conditions set in the option contract.
Exercise Price (Strike Price)	The price at which the underlying instrument is received or delivered when an option is exercised.
Expiration Date	The date on which the rights vested in an option contract expire.
Fast Market	An optional trading phase introduced by Eurex on a per-product basis when market-sensitive news is expected, or in the event of strong volatility.
FBE/ACI	Shorthand for the joint effort of the European Banking Federation and the Financial Markets Association to sponsor EURIBOR, the benchmark euro money market rate.
Final Settlement Price	The price on the Last Trading Day, which is determined by Eurex according to product specific rules.
Flexible Options	OTC options on Eurex-listed products, but with non-standard terms
Freeze	A product state allowing final review of opening prices by Eurex Market Supervision before initiating the opening auction.
Give-Up	Give-ups are used to transfer trades from one member to another, usually where one member performs execution and another member performs clearing.
GUI (Graphical User Interface)	A generic term for a graphical (rather than purely character-based) user interface to a computer; Eurex supports a trading GUI (@X-ceed), a clearing GUI (@X-tract) and a GUI for equities clearing (@X-pert).
Hedging	Protecting an existing portfolio or planned investments against unfavorable price changes.
Inside Market	The best bid and best ask prices in the order book, with accumulated volumes.

Term	Description
Inter-product Spread	A type of futures combination in which the buyer of an IPS buys the first and sells the second component in similar fashion to the Time Spread combination, but the components refer to different financial instruments.
LEPO (Low Exercise Price Option)	An option with a low exercise price of for example EUR 1.00, often used as a surrogate for the underlying security.
Limit Order	Limit orders are executed at the specified limit, or at a better price.
Long Position	An open bought position.
Margin	Collateral, which must be pledged as cover for contract fulfillment (Additional Margin, Futures Spread Margin), or daily settlement of profits and losses (Variation Margin).
Market Maker	Market Makers support liquidity in the products for which they apply to become Market Makers in exchange for lower transaction fees.
Market Maker Accounts	Trades resulting from quotes or orders entered by Market Makers in options and DNTP trading and quotes by exchange participants in futures trading are recorded on Market Maker accounts.
Market Order	Market orders have no limit. They are matched immediately at the best available market price.
Market Order Matching Range (MOMR)	The range around the reference price beyond which a market order for a futures contract is not allowed to be executed.
Maturity Range	Classification of deliverable bonds according to their remaining lifetime.
MISS	Member Integration System Server, the server component of a member's front-end installation.
Mistrade	A trade that was erroneously entered, and that deviates considerably from the market price.
Netting	1. The offsetting of open long positions against open short positions in futures or options, in order to determine the net long or net short position. 2. The process at market opening (between the Pre-Opening and Trading Periods), during which executable futures or options orders are executed at the opening price.
On Behalf	When a member is technically unable to process their trading, they can manually request Eurex to execute orders "on behalf".
Opening Period	The several steps taken to uncross the order books and prepare for the start the continuous trading phase.
Option	The right to buy (call) or to sell (put) a specific number of units of a specific underlying instrument at a fixed price on, or up to a specified date.
Option Price	The price (premium) paid for the right to buy or sell.
Option Strategy	A strategy involving two or more single-leg options.
Option Volatility Strategy	A strategy including at least one futures or LEPO leg.
OTC Trades (Over-the-Counter Trades)	At Eurex, these are transactions in Eurex-listed products where the price has been agreed off-exchange, and where the transaction has subsequently been recorded at Eurex for settlement and margining purposes.
Permanent Market-Making	Permanent Market Makers undertake to supply quotes for a defined percentage of the Trading Period, as measured on exchange trading days during the calendar month, for a pre-defined set of expirations and exercise prices, in addition to satisfying the obligations regarding minimum contract size and maximum spreads.

Term	Description
Post-Trading	During Post-Trading, continuous trading no longer takes place, but access to the Eurex® system and the entry or modification of orders is available with certain restrictions.
Pre-Arranged Trade	An agreement between members to attempt to execute a trade within the bid-ask prices on Eurex, and requiring a previously submitted cross request.
Pre-Opening Period	During Pre-Opening, potential opening prices are calculated and displayed, based on the orders in the order book.
Pre-Trading Period	During Pre-Trading, users can make data inquiries and can enter orders and quotes in preparation for the trading phase.
Price Reasonability Check	Upon entry, the limit of an order is compared to an exchange-defined range around the last traded price. If outside the range, the order is not submitted immediately, but needs to be checked and, where appropriate, re-submitted.
Price/Time Priority	An algorithm for matching orders such that, when a new order is entered to the order book, the system first checks the limits of the orders in the electronic order book, and executes the orders with better limits before the orders with worse limits, and then older orders before newer orders.
Principal Account	The principal account covers the exchange member's current proprietary business.
Pro Rata Matching	Pro rata matching algorithm governs execution priority for money market futures. When matching against an incoming order, the pro-rata matching algorithm takes into account each book order at the inside market price according to its percentage of the overall volume bid or offered at the price, regardless of its timestamp.
Put Option	The right to sell an asset at a certain price at, or up to a certain date. In the case of options on fixed income futures, the contract gives the buyer the right to enter into a short position in the underlying futures contract at a set price on, or up to, a given date. In the case of cash-settled options, a put option represents the right to receive a cash settlement if the Final Settlement Price is lower than the option's exercise price.
Reference Price	In relation to evaluation of a mistrade, the reference price is usually established as the average of the prices of the transactions effected immediately before and after the erroneous entry. If only one of these prices is available, that price is used as the reference price. In relation to evaluating price reasonability for price/time-matched futures contracts, the reference price for buy orders is the lowest available offer price ("Best Ask") and the reference price for sell orders is the highest available bid price ("Best Bid").
Regular Market-Making	Under Regular Market-Making, Market Makers enter quotes in response to requests from other members.
Restricted Limit Order	A limit order with the restriction IOC (immediate-or-cancel) or Closing Auction Only.
Short Position	An open seller's position.
Special Dividend	A dividend considered to be outside a stock corporation's normal dividend policy. The terms of equity options are adjusted for special dividends.

Term	Description
Spread Positions	In the case of options, the simultaneous purchase and sale of option contracts with different exercise prices and/or different expirations. In the case of a financial futures contract, the simultaneous purchase and sale of futures with the same underlying instrument but with different maturity dates (time spread) or of different futures (Inter-product Spread).
Stop Order	At Eurex, stop orders can only be entered for futures contracts. Stop orders are restricted orders, which are triggered only when the market price reaches (= trades at, or through) their price limit. In this case, the stop order becomes a market order and thus is executed at the best possible market price, as soon as possible.
Straddle	The purchase or sale of an equal number of calls and puts on the same underlying instrument with the same exercise price and expiration.
Strangle	The purchase or sale of an equal number of calls and puts on the same underlying instrument with the same expiration, but with different exercise prices.
Strategy Trading	The trading of pre-defined combinations of options and/or futures at a single price.
Synchronous Transactions	"Request" transactions in the Eurex® system that generate a response to the user (for example, changing an existing order).
Synthetic Pricing	A method for deriving implicit orders in individual option series from strategy orders.
Time Spread	The simultaneous purchase and sale of two futures contracts based on the same underlying, but with different maturity dates. The buyer of the spread combination buys the first maturity and sells the second.
Underlying Instrument	The instrument on which an option or futures contract is based. The underlying instrument can be a security, an index or even a calculated number such as volatility.
VALUES API	VALUES API (Virtual Access Link Using Exchange Services – Application Programming Interface) is the programmable interface providing connectivity to Deutsche Börse's electronic trading platforms (Eurex® and Xetra®). VALUES API provides a single point of entry to the full range of the exchange functionality.
Vola Trade	An OTC trade in futures contracts, based on a pre-negotiated option trade.
Volatility	The extent of the actual or forecast price fluctuation of a financial instrument (underlying instrument). From a mathematical perspective, volatility is equivalent to the annualized standard deviation of returns on the underlying instrument.
Wholesale Trading	Trading that takes place outside the central order book – OTC Trading and the Block Auction facility.
Xetra	A fully electronic trading platform for equity securities and warrants, operated by Deutsche Börse AG.

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Further Information

Eurex Website

On the Eurex website **www.eurexchange.com** a variety of tools and services are available, a selection is given below:

Brokerage Services – Investors can inquire online to find appropriate brokerage services (Documents > Participant Lists > Brokers).

E-News – Register in the MyEurex section to automatically receive information about Eurex and its products by e-mail.

Margin Calculation – Eurex offers the Eurex MarginCalculator (Clearing > Risk & Margining > Eurex MarginCalculator) which allows users to determine margin require-ments for all products cleared by Eurex Clearing AG.

Price Information – Look up delayed price information (Market Data > Delayed Quotes) for all Eurex derivatives.

Publications

Eurex offers a wide variety of publications about its products and services including bro-chures about derivatives trading strategies, contract specifications, margining & clearing and the trading system. Furthermore, Eurex offers information flyers which provide a brief overview about specific products traded at the exchange.

Selected brochures:
- Equity and Equity Index Derivatives – Trading Strategies
- Interest Rate Derivatives – Fixed Income Trading Strategies
- Products
- Risk Based Margining

All publications are available for download on the Eurex website **www.eurexchange.com** (Documents > Publications). The "Publication Search" facility (Documents > Publications > Publication Search) provides a keyword search for all Eurex publications.

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The following educational tools can be ordered via the Learning Portal:
- "Get Ahead with Eurex" – All About Futures and Options (DVD)
- Eurex OptionAlligator (option price calculator)