



eurex clearing circular 049/10

Date: Frankfurt, July 22, 2010
Recipients: All Clearing Members of Eurex Clearing AG, all Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Peter Reitz



Single Stock Dividend Futures: Designated Market-Making Parameters for Tranche 2

Related Eurex Clearing Circular: 002/10

Related Eurex Circulars: 239/09, 025/10

Contact: Dr. Weiwei Wang, Product Development, tel. +49-69-211-1 72 62
 e-mail: weiwei.wang@eurexexchange.com

Content may be most important for:

☞ All departments

Attachments:

1. Designated Market Maker Application Form
2. Designated Market Maker Scheme Obligations

On March 1, 2010, Eurex introduced a further 25 Single Stock Dividend Futures (Tranche 2). The existing Designated Market Making Program will be extended by these products with effect from **August 1, 2010**.

Please refer to the attachments for the application form and the updated Market-Making obligations.

**Single Stock Dividend Futures: Designated Market-Making Parameters
for Tranche 2**

On March 1, 2010, Eurex introduced a further 25 Single Stock Dividend Futures (SSDFs) (Tranche 2). The existing Designated Market Making Program will be extended by these products with effect from August 1, 2010.

Eurex enables interested Members to be Designated Market Makers for the new SSDF contracts. Designated Market Makers ensure ongoing liquidity by providing quotes on the bid and ask side, subject to maximum spreads, for a specified minimum number of contracts in a defined number of the introduced products for a predefined period of time. In addition, Designated Market Makers will undertake other obligations as to the efficient operation of the market by providing price information and be available for additional price verification at times as requested by Eurex.

In return, Eurex will grant its Designated Market Makers reimbursement of up to 50 percent of transaction fees for all transactions executed on M-accounts up to and including December 31, 2012.

Scheme Obligations (attachment 2) for the products are attached, as is the Designated Market Maker Application Form (attachment 1). Members interested in participating are requested to complete and return the attached application form to Dr. Weiwei Wang, fax +49-69-211-1 44 61. Market Makers who have previously signed this agreement do not need to re-apply but should note the updated Scheme Obligations contained in attachment 2.

Frankfurt, July 22, 2010



Application Form – Designated Market Maker Scheme

To Eurex
Product Development
Dr. Weiwei Wang

Fax no.: +49-69-211-1 44 61

**Application for the Status of Designated Market Maker
for Single Stock Dividend Futures
on the constituents of the Dow Jones EURO STOXX 50®**

1. We _____
(name of member)

herewith apply for the status of Designated Market Participant in

**Single Stock Dividend Futures Contracts
on the constituents of the Dow Jones EURO STOXX 50®**

for the period from **August 1, 2010 until December 31, 2012** in accordance with the terms and conditions stated in the Scheme Obligations (attachment 2).

2. As a Designated Market Maker

- a) we will fulfill the obligation by provision of two way quotes for each of the contracts in the series
 - for the minimum number of contracts specified in the Scheme Obligations
 - in compliance with the maximum spread specified in the Scheme Obligations; and
 - in compliance with the times specified in the Scheme Obligations.
- b) we will give you the name of a manager, and an alternate, who has the authorization and expertise necessary to fulfill the commitments required under the Scheme Obligations to Eurex Market Supervision
- c) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement
- d) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Makers; and
- e) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.



3. Eurex will in return
 - a) refund either 15 percent or 50 percent of all trading and clearing fees for the contracts traded by the Designated Market Makers on M-accounts. The refund for the respective month will be calculated at the beginning of the subsequent month. Refunds will be paid in full only if the Scheme Obligations have been fulfilled in the month prior to the one in which they are applicable. No refunds will be made for contracts traded on A- or P-accounts;
 - b) mention the name of the Eurex member with the Designated Market Maker status in advertising and informative material in connection with the contracts, if desired;
 - c) make Eurex speakers and printed material available for seminars organized by the Designated Market Makers regarding Single Stock Dividend Futures, if desired; and
 - d) consult the Designated Market Makers as a deliberative body on any proposed material changes to this product and its Contract Specifications, notwithstanding any legal obligations of Eurex, and only action the proposed material changes upon a quorum of those responding Designated Market Makers who deem such changes to be acceptable.
4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.

In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to terminate the agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.
5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Scheme Obligations.
6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more condition(s), the Designated Market Makers must, for their part, ensure that they can be contacted so that they can be promptly advised that this situation has ceased to exist.
7. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on December 31, 2012. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.
8. The associated Scheme Obligations (attachment 2) are an integral part of this application.



**SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH
PARAGRAPH 2. b)**

Place, date

Name

Position

Phone

Fax

(Signature / Stamp of the company)

E-mail address

Please send the completed application for the status of Designated Market Maker to the indicated fax number.



Designated Market-Making Scheme for Single Stock Dividend Futures on the constituents of the Dow Jones EURO STOXX 50®

Outline

This Designated Market-Making Scheme is to cover those Single Stock Dividend Futures whose underlying shares are constituents of the Dow Jones EURO STOXX 50®.

The Designated Market Maker will be obliged to provide two-way quotes only on a certain percentage of these 50 constituents in order to receive the fee rebates detailed.

There are two thresholds of obligations, the lower of which will attract a rebate of 15 percent of fees, whilst the higher threshold attracts a 50 percent fee rebate.

The quote size obligation of the third expiry is lower than those for the first and second – no obligation is in place to quote longer expiries.

Scheme Obligations

In the order book:

Provision of quotes during the trading session	Provision of two way quotes for the first , and second contracts in the series of each constituent listed <ul style="list-style-type: none"> - with a minimum size of 50 contracts on the bid and ask side - with a maximum percentage spread as detailed in Table 1 below Provision of two way quotes for the third contract in the series of each constituent <ul style="list-style-type: none"> - with a minimum size of 10 contracts on the bid and ask side - with a maximum percentage spread as detailed in Table 1 below Provision of two way quotes for each of the contracts in the series mentioned above <ul style="list-style-type: none"> - during 50 percent of the quotation period of the trading day, from 08:30 a.m. to 17:30 p.m. (CET), calculated on a monthly average.
Designated Market Maker Fees	Order Book Trades & Block Trades 50 percent fee rebate upon fulfilment of obligations in regards of 40 percent of the constituents (i.e. 20 out of 50 constituents) Order Book Trades & Block Trades 15 percent fee rebate upon fulfilment of obligations in regards of 10 percent constituents of the constituents (i.e. 5 out of 50 constituents)



Respond to Eurex Pricing Requests	<p>Market Maker must respond to all Eurex Market Supervision Pricing Requests up to a maximum of two requests per contract per day</p> <ul style="list-style-type: none"> - within 30 minutes - subject to this information being retained for use by Eurex in its calculations and not being for public dissemination in its original form
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Table 1

Maximum percentage spreads permissible for fulfillment of Market-Making:

Single Stock Dividend Futures on the Underlying Share of	Product ID	Bid/Offer Spread (Percentage)		
		1st Expiry	2nd Expiry	3rd Expiry
Tranche 1 (introduced on January 17, 2010)				
ALLIANZ	A1LV	20%	25%	35%
AXA	A1XA	60%	65%	75%
BANCO BILBAO VIZCAYA ARGENTARIA	B1BV	40%	45%	55%
BANCO SANTANDER	S1SD	40%	45%	55%
BASF*	B1AS	2040%	2545%	3555%
BAYER	B1AY	40%	45%	55%
BNP PARIBAS*	B1NP	6040%	6545%	7555%
CARREFOUR SUPERMARCHE	C1AR	40%	45%	55%
DEUTSCHE BANK	D1BK	60%	65%	75%
DEUTSCHE TELEKOM	D1TE	20%	25%	35%
E.ON	E1OA	20%	25%	35%
ENEL	E1NL	40%	45%	55%
ENI*	E1NT	2040%	2545%	3555%
FRANCE TELECOM	F1TE	20%	25%	35%
GDF SUEZ	G1ZF	40%	45%	55%
MUENCHENER RUECK	M1UV	20%	25%	35%
PHILIPS ELECTRONICS	P1HE	40%	45%	55%
RWE	R1WE	20%	25%	35%
SANOFI-AVENTIS*	S1NW	2040%	2545%	3555%
SIEMENS	S1IE	20%	25%	35%
SOCIETE GENERALE	S1GE	60%	65%	75%
TELEFONICA	T1NE	20%	25%	35%
TOTAL	T1OT	20%	25%	35%
UNILEVER NV	U1NI	40%	45%	55%
VIVENDI	V1VU	20%	25%	35%
Tranche 2 (introduced on March 1, 2010)				
AEGON N.V.	A1EN	n/a	n/a	n/a
Air Liquide S.A.	A1IR	20%	25%	35%



Single Stock Dividend Futures on the Underlying Share of	Product ID	Bid/Offer Spread (Percentage)		
		1st Expiry	2nd Expiry	3rd Expiry
Alstom S.A.	A1OM	40%	45%	55%
Anheuser-Busch InBev S.A.	I1TK	200%	200%	200%
ArcelorMittal S.A.	I1SP	200%	200%	200%
Assicurazioni Generali S.p.A.	A1SG	40%	45%	55%
Compagnie de Saint-Gobain S.A.	G1OB	40%	45%	55%
Crédit Agricole S.A.	X1CA	200%	200%	200%
CRH PLC	C1RG	200%	200%	200%
DAIMLER AG	D1AI	40%	45%	55%
Danone S.A.	B1SN	40%	45%	55%
Deutsche Börse AG	D1B1	40%	45%	55%
Iberdrola S.A.	I1BE	60%	65%	75%
ING Groep N.V.	I1NN	n/a	n/a	n/a
Intesa Sanpaolo S.p.A.	I1ES	n/a	n/a	n/a
L'Oréal S.A.	L1OR	20%	25%	35%
LVMH Moët Hennessy Louis Vuitton S.A.	M1OH	40%	45%	55%
Nokia Corp. Oyj	N1OA	40%	45%	55%
Repsol YPF S.A.	R1EP	20%	25%	35%
SAP AG	S1AP	40%	45%	55%
Schneider Electric S.A.	S1ND	20%	25%	35%
Telecom Italia S.p.A.	T1QI	200%	200%	200%
Unibail-Rodamco S.A.	U1BL	40%	45%	55%
UniCredito Italiano S.p.A.	C1RI	n/a	n/a	n/a
VINCI S.A.	S1QU	20%	25%	35%

*Denotes a change in parameter from that previously published in Eurex Clearing circular 002/10

For the avoidance of doubt:

Where the first expiry in the contract series is December 2010 and the permissible percentage spread is noted as 20 percent for that expiry - then to fulfil the obligations the offer price must be no greater than the bid price plus 20 percent of that bid price.

For example if the quoted bid is 3.50 and the permissible percentage spread is 20 percent then the offer price must be no greater than 4.20.

Note: Where "n/a" is applicable the quotes must be fulfilled on a best efforts basis but as a minimum must consist of an offer price.