


X-pand into the Future



eurex circular 061/10

Date: Frankfurt, April 14, 2010
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Peter Reitz

 Action required

 High priority

Equity Options: Introduction of Equity Options on Transocean Ltd.

Related Eurex Circular: 040/09

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Content may be most important for:

 All departments

Attachments:

Updated sections of:

1. Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich, effective April 20, 2010
2. Market Maker Obligations

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided on the introduction of an equity option on shares of Transocean Ltd, effective **April 20, 2010**.

The equity option will be part of the Swiss Advanced Market Maker (AMM) package. The number of exceptions for the Swiss AMM package will be increased by one exception, i.e. to ten. Besides, Permanent Market-Making will be offered.

The minimum amount of tradable units for OTC Wholesale facilities is 250 contracts.



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Equity Options: Introduction of Equity Options on Transocean Ltd.**1. Introduction Date**

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided on the introduction of an equity option on Transocean Ltd, effective April 20, 2010.

For this equity option, only Advanced Market-Making (AMM) and Permanent Market-Making will be offered.

The minimum amount of tradable units for OTC Wholesale facilities is 250 contracts.

2. Contract Specifications and Product Parameters

The following table contains all essential information on the equity options:

Options on	Product ISIN / ISIN of the Underlying	Eurex Code	Contract Size	Expiration Months	Minimum Price Change	Denomination
Introduction on April 20, 2010						
<i>Swiss Equity Options (group ID CH11)</i>						
Transocean Ltd.	CH0048265513	RIGN	100	24	0.01	CHF

3. Expiration Dates

The equity options will be tradable for up to 24 months, i.e., until and including the next, the second next and the third next expiration dates and including the next three consecutive quarter expiration dates (March, June, September, December) as well as the following two semi-annual expiration dates (June and December).

4. Exercise Prices

All equity options follow the current Eurex standard for exercise prices of the respective group IDs. For details, please refer to the contract specifications.

Upon introduction of the options contracts, for each Call and Put of each expiration date in the respective expirations under 24 months at least seven exercise prices will be available for trading, three of which are in-the-money, one is at-the-money and three are out-of-the-money.

Contract specifications for the individual products are also available for download on the Eurex website under the following path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

5. Risk Parameters

Margin parameters will be published on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters

No separate circular is planned for this issue.

6. Trading Hours

Trading hours correspond with the trading hours of the already existing group IDs. For details, please refer to the contract specifications.

7. Mistrade Ranges

The Mistrade Ranges for the new equity options will be published as of start of trading on the Eurex website under:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

8. Position Limits

Position limits will be published on the Eurex website under the following path:

www.eurexchange.com > Trading > Products > Equity Derivatives > Equity Options > Selection by Country

9. Market-Making

Equity options on Transocean Ltd. are part of the Advanced Market-Making package for Swiss stocks. The number of exceptions will be increased from nine to ten as of May 3, 2010.

Besides, Permanent Market-Making (PMM) will be offered as well.

As of start of trading, Market Maker Obligations will be published on the Eurex website under the path:

www.eurexchange.com > Member Section > Trading > Market Model > Market-Making

10. Vendor Codes

At start of trading, data vendor codes will be published on the Eurex website under the path:

www.eurexchange.com > Trading > Products > Vendor Product Code Search

11. Trading Calendar

The trading calendar for Swiss equity futures and options applies. It can be found on the Eurex website under the path:

www.eurexchange.com > Trading > Trading Calendar

12. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades, Transaction Fees

The same values apply as for existing equity options with the respective group ID.

13. Product Group

The new equity option will be assigned to the following groups:

Product Group	Settlement Location Unit	Regulatory Status	Settlement Type	Product Type	Product Segment	Product Currency	Product Code					
							S	N	S	O	E	C
Swiss equity options	CHF	N	C/P	O	Equity Options	CHF	S	N	S	O	E	C

For further information on the assignment of products and product groups, please refer to Eurex circular 232/07, section 1.6.

14. OTC Trade Entry Facilities

The minimum amount of contracts to be traded by means of the Block Trade- and Flexible Options facilities is 250 contracts.

An overview of the OTC Trade Entry facilities available for the products and detailed information on all equity futures and options on single product basis with regard to availability, possibility of utilization and minimum quote sizes for the various trade entry trading facilities can be found under the path:

www.eurexchange.com > Trading > Wholesale Trading > Wholesale Trading Parameters

The Flexible Options facility will be available upon acceptance of the General Conditions of Participation.

If you have any questions or require further information, please contact Tobias Ehinger at tel. +41-5 88 54-23 08 or e-mail to tobias.ehinger@eurexchange.com.

Frankfurt, April 14, 2010

**Contract Specifications for Futures Contracts and
Options Contracts at Eurex Deutschland and Eurex
Zürich**

CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Annex B in relation to subsection 2.6 of the contract specifications:

Options on Shares of	Product-ID	Group ID*	Cash Market ID	Contract Size	Maximum Term (Months)	Minimum Price Change	Currency
[...]							
<u>Transocean</u>	<u>RIGN</u>	<u>CH11</u>	<u>XSWX</u>	<u>100</u>	<u>24</u>	<u>0.01</u>	<u>CHF</u>
[...]							

[...]

Market Maker Obligations at Eurex

[...]

Advanced Market-Making (AMM) in Equity and Equity Index Options

Advanced Market-Making at Eurex consists of continuous quotation of a pre-defined set of strikes for a predefined set of expirations as well as response to quote request for all strikes and expirations of a given product. These obligations have to be fulfilled for all products within a pre-defined package.

Committed Quotation Time: Continuous quotation for an average of 85 percent of the trading period between 08:50 and 17:30 CET (calculated on a monthly average) on each Exchange trading day per calendar month for a predefined number of expirations (the maturity range). AMMs will be obliged to quote calls and puts in five strikes out of a strike price window of seven strikes around the current underlying price in every expiration month within the maturity range; this means ten series have to be quoted in total for each expiry within the maturity range. Strikes selected for the strike price window are the seven strikes nearest to the current index level, stock price or ETF price for index options, stock options or options on ETFs respectively. The strike price window is centered around the current index level, stock price or ETF price for index options, stock options or options on ETFs respectively. Asymmetric quotation is allowed.

Exceptions: Russian Equity Options;

- a) Quotation of five out of nine strikes
- b) No obligation to quote options series with an expiration of five or less trading days.

The strike price window was modified accordingly.

Response to Quote Requests: At present, quote requests do not have to be answered.

Market Maker Fees: See Price List.

Fast Market: In Fast Market (definition and announcement by the Exchange), maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.

Minimum Quote Size: Minimum quote sizes for both continuous quotation and response to quote requests within the Advanced Market-Making scheme are identical.

The following packages are available:

Package	Description	Package ID
Belgian	All Belgian equity options listed at Eurex (Group ID BE11)	BE
EURO STOXX 50 [®]	All options on EURO STOXX 50 [®] index components listed at Eurex and the EURO STOXX 50 [®] Index Option	ESX50
Dutch	All Dutch equity options listed at Eurex (Group ID NL11)	NL
French	All French equity options listed at Eurex (Group ID FR11)	FR
German	All German equity options listed at Eurex and DAX [®] Index option (Group ID DE11)	DE
Italian	All Italian equity options listed at Eurex (Group ID IT11)	IT
Russian	All stock options on Russian Depository Receipts admitted at Eurex and the MSCI Russia Index Option	RU
Scandinavian	All Scandinavian equity options listed at Eurex (Group ID FI11, SE11)	SC
Spanish	All Spanish equity options listed at Eurex (Group ID ES11)	ES
Swiss	All Swiss equity options listed at Eurex and SMI [®] and SLI [®] Index options (Group ID CH11)	CH
British	All British equity options listed at Eurex (Group ID GB11)	UK

Fulfillment of Obligations:

Obligations for a package will be considered as being fulfilled if

- the obligations for products labeled as compulsory are fulfilled

and additionally if

- in the remaining products obligations are fulfilled, whereby in each package a certain number of monthly exceptions will be allowed.

Package	Package Products with Compulsory fulfilment	Number of Monthly Exceptions
Belgian	-	3
EURO STOXX® 50	OESX	9
Dutch	-	8
French	-	26
German	ODAX	26
Italian	-	2
Russian	OMXR	-
Scandinavian	-	1
Spanish	-	1
Swiss	OSMI or OSLI	<u>910</u>
British	-	11

Market Maker Fees: See Price List.

[...]

Spread Classification, Minimum Quote Size and Quoting Maturity Range for Equity Options and Options on ETFs

[...]

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/ PMM		
Options on						
Swiss Equities						
ABB	ABBN	2	NA	100	8	CH
ACTELION	ATLN	2	50	20	6	CH
ADECCO	ADEN	2	NA	10	7	CH
BALOISE	BALN	2	NA	10	7	CH
CIE FIN RICHEMONT	CFR	2	NA	20	7	CH
CLARIANT	CLN	1	NA	50	7	CH
CREDIT SUISSE	CSGN	2	NA	50	8	CH
GAM Holding	GAM	2	NA	10	7	CH
GEBERIT	GEBN	3	20	10	6	CH

Valid from April 20, 2010

Product	Product ID	Spread Class	Minimum Quote Size (Contracts)		Number of expirations to be quoted for PMM/AMM; the first	AMM Package ID
			RMM	AMM/PMM		
Options on						
GIVAUDAN	GIVN	5	NA	10	7	CH
HOLCIM	HOLN	2	NA	10	7	CH
JULIUS BAER GROUP	BAEN	2	NA	10	7	CH
KUDELSKI	KUD	1	NA	20	7	CH
KUEHNE U NAGEL	KNIN	2	20	10	6	CH
LOGITECH	LOGN	2	50	20	6	CH
LONZA	LONN	2	NA	10	7	CH
NESTLE	NESN	2	NA	100	8	CH
NOBEL BIOCARE	NOBE	2	NA	10	6	CH
NOVARTIS	NOVN	2	NA	100	8	CH
OC OERLIKON	OERL	2	50	20	7	CH
PETROPLUS	PPHN	2	20	10	6	CH
SONOVA HOLDING AG	SOON	2	20	10	6	CH
ROCHE	ROG	3	NA	10	8	CH
SCHWEIZ.RUECKVERSICHER.	RUKN	2	NA	200	8	CH
SGS	SGSN	5	NA	10	7	CH
SWISS LIFE	SLHN	2	NA	20	8	CH
SWISSCOM	SCMN	4	NA	20	8	CH
SYNGENTA	SYNN	4	NA	20	7	CH
SYNTHESES	SYST	3	NA	20	6	CH
The SWATCH GROUP Bearer Shares	UHR	3	NA	20	7	CH
THE SWATCH GROUP	UHRN	2	NA	10	7	CH
TRANSOCEAN	RIGN	2	NA	10	6	CH
UBS	UBSN	2	NA	100	8	CH
ZURICH FINANCIAL SERV AG	ZURN	4	NA	100	8	CH

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