

Eurex Market-on-Close Futures

Most futures trading for market-on-close (MOC) in Europe currently takes place on the OTC markets. Market participants usually agree on the basis in the inter-dealer-broker market and enter their futures trades into the Eurex® system after index close, which involves higher operational efforts and reduces risk management capabilities. What's more, transactions need to have a certain size, to be able to participate in the OTC market, limiting access for market participants. In addition, slippage costs are likely as the calculated final futures price is more precise than the available tick size of the listed index future.

Benefiting the market: a listed solution for basis trading

Eurex Market-on-Close Futures (Eurex MOC Futures) are designed to significantly facilitate MOC trading since the index futures can be traded at the underlying cash market index close ahead of its actual publication. The contract represents the basis, defined as the difference between the current futures price and the current index cash price. The first Eurex MOC Futures will be based on EURO STOXX 50® Index Futures (FESX), covering one of the most liquid index futures worldwide.

Application opportunities

Eurex MOC Futures are an efficient hedging instrument for products benchmarked against the index close:

- Exchange-traded funds (ETFs)
- Index options and structured products
- OTC swaps and options
- Cash equalization and balance sheet management

Key benefits

Increased efficiency and minimized tracking risk

Market participants benefit from straight-through processing for Eurex MOC transactions resulting in reduced front office workload as well as lower tracking error.

Enhanced market transparency and consolidated liquidity

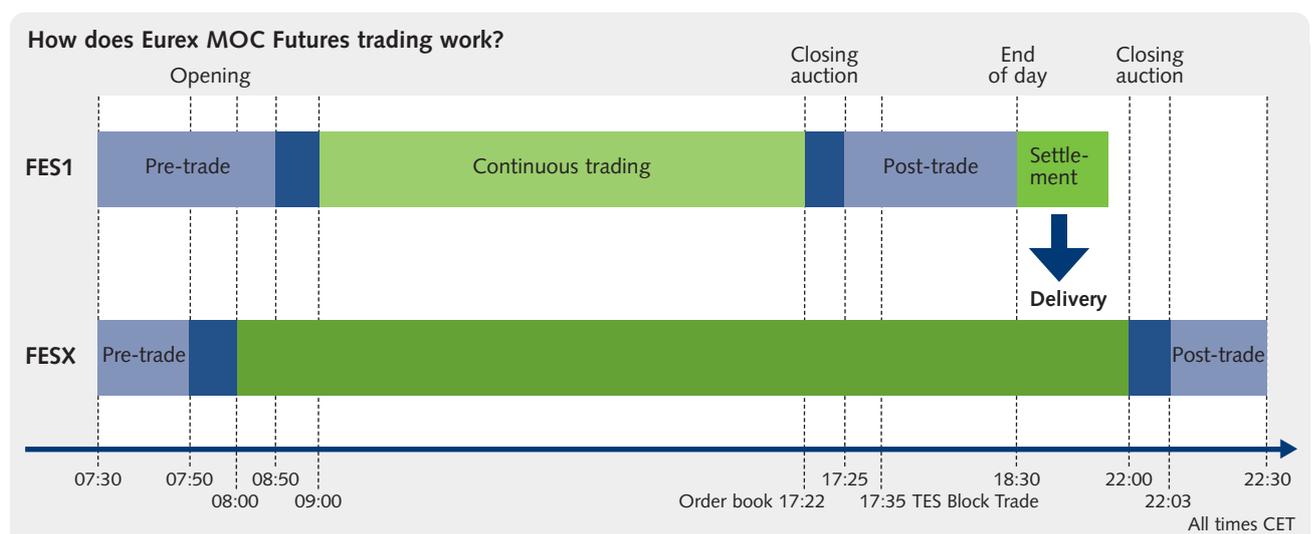
On-exchange trading offers immediate liquidity and price information.

Eliminated slippage risk

The smaller tick size of Eurex MOC Futures offers more precise pricing with the cash market index close level being provided with two decimals according to market conventions.

Immediate availability of index futures after settlement

The intraday delivery of the underlying makes the EURO STOXX 50® Index Futures immediately available to market participants during the trading session.



Lower transaction costs

On-exchange trading offers capital efficiencies compared to OTC business.

Easy market access

The minimum trading size of one contract means equal access to the order book for all market participants. TES Block Trade transactions are available starting at 500 contracts.

Automated risk management

Immediately after the transaction of the basis, Eurex MOC trades will be included in the market participants' risk management system. As central counterparty to each trade, Eurex Clearing mitigates counterparty risks.

Trading in Eurex MOC Futures is offered during the trading day up until the cash market index close level is determined. After publication, the exact index close level is added to the traded price of the basis (Eurex MOC Futures) to calculate the final settlement price with up to two decimals accuracy. Physical settlement into EURO STOXX 50® Index Futures takes place at approximately 18:30 CET. The EURO STOXX 50® Index Futures will be available for trading to market participants immediately after settlement.

Eurex T7 Entry Services

Use our T7 Entry Services to enter bilaterally agreed off-book block trades and benefit from the advantages of centralized clearing and settlement. This means that when it comes to position keeping and the clearing and settlement of transactions, investors benefit from all the advantages of a listed derivative product.

Contract specifications

	Eurex Market-on-Close Futures (FES1)
Underlying futures	EURO STOXX 50® Index Futures (FESX)
Contract size	One contract
Settlement	Transaction-based, physical settlement of the EURO STOXX 50® Index Futures; settlement occurs from the traded maturity of the FES1 into the corresponding maturities of the FESX.
Delivery	Intraday delivery into underlying futures (FESX)
Offered contracts	First three maturities of the underlying index futures (up to 9 months)*
Tick size	0.10 (represents EUR 1 of the underlying futures)
Contract quotation	Price of the basis in index points, may be positive or negative
Trading hours	Order book: 09:00–17:25 CET, including closing auction TES Block Trade entry: 09:00–17:35 CET
Trading holidays	Identical to underlying futures; no trading on the final settlement day of the underlying futures
Final settlement day	Each trading day
Final settlement price	The final settlement price is established by Eurex on the final settlement day of the contract and is determined as the official closing value of the EURO STOXX 50® Index plus the traded basis price of the Eurex MOC Futures.
Minimum TES Block Trade size	500 contracts
Fees	Order book: EUR 0.15 TES Block Trade: EUR 0.25
Vendor codes	Bloomberg: FUBA Index Reuters: 0#FES1:

* FESX has a term of up to 24 months.

Market Maker

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ARBN Number: Eurex Frankfurt AG ARBN 100 999 764

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