Release date: 21 Feb 2020 | Eurex Clearing

No. 019/2020

Equity index derivatives: Introduction of Related Security Spread (“RSS”) Futures

Eurex Clearing Circular 019/20

1. Introduction

Effective **30 March 2020**, Eurex Clearing will offer clearing services for Related Security Spread Futures (RSS Futures) introduced at Eurex Deutschland.

In this context, the following measures will apply effective 30 March 2020:

- Inclusion of RSS Futures contracts in the Clearing Conditions of Eurex Clearing AG (Clearing Conditions),
- Inclusion of RSS Futures contracts in the Price List of Eurex Clearing AG (Price List).

The following provisions will be amended as outlined in Attachments 2 and 3:

- Chapter II Part 2 Number 2.27 of the Clearing Conditions,
- Numbers 3.1, 3.3, 3.4 of the Price List.

Please refer to Eurex circular 011/20 for detailed trading-related information as well as the amendments of the relevant rules and regulations of Eurex Deutschland.

2. Required action

The new products will trade and clear similar to existing equity index derivatives, hence there is no action required for participation.

3. Details

A. Product overview

Related Security Spread (“RSS”) Futures are futures contracts on a specific spread ratio index. The iSTOXX Spread Ratio indices aim to offer exposure to the relative value spread, which is defined as the ratio between two securities that are related to the same company and is measured using 5-day moving averages. Each index of the family consists of two securities, referred to as leg A and leg B. The composition of each index is fixed over time.

Please refer to Attachment 1 for the Eurex products that will be introduced.

B. Contract specifications

Please find an overview in table format in Attachment 1. For the detailed Contract Specifications, please refer to Eurex circular 011/20.

C. Product group

Please refer to Attachment 1 for the product group of the new products.

D. Transaction fees

Please refer to Attachment 3 for the updated sections of the Price List.

E. Risk parameters

Margins for the new product are calculated in Prisma. For the risk parameters of the new products, please refer to the Eurex Clearing website under the link:

Risk management > Risk parameters

As of the effective date, the full version of the amended Clearing Conditions and Price List will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations

The changes and amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- 1 – RSS Futures: Tables for general product overview, contract specifications and product group
- 2 – Amended sections of the Clearing Conditions of Eurex Clearing AG
- 3 – Amended sections of the Price List of Eurex Clearing AG

Further information

Recipients:	All Clearing Members, FCM Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, vendors and other affected contractual parties
Target groups:	Front Office/Trading, Middle + Back Office, IT/System Administration, Auditing/Security Coordination
Contact:	client.services@eurexclearing.com
Web:	www.eurexclearing.com
Related circular:	Eurex circular 011/20
Authorised by:	Heike Eckert

Further information

Attachment 1 to Eurex Clearing circular 019/20

Attachment 2 to Eurex Clearing circular 019/20

Attachment 3 to Eurex Clearing circular 019/20

Navigate to Eurex News

Attachment 1 to Eurex Clearing circular 019/20

3. Details of the initiative

A. Product overview

Index name	Leg A	Leg B	Ticker	CCY	Index ISIN	Futures ISIN	Product ID
Phase 1 launch (30 March 2020)							
iSTOXX SR ATCO B/A	ATCOB SS	ATCOA SS	IXRATCBA	USD	CH0412529007	DE000A26R2G3	RFAT
iSTOXX SR BMW COM/PRE	BMW GY	BMW3 GY	IXRBMWCP	USD	CH0412529114	DE000A26R2H1	RFBW
iSTOXX SR BZU COM/SAV	BZU IM	BZUR IM	IXRBZUCS	USD	CH0412529213	DE000A26R2J7	RFBZ
iSTOXX SR EPI A/B	EPIA SS	EPIB SS	IXREPIAB	USD	CH0412529411	DE000A26R2K5	RFEP
iSTOXX SR GRF COM/PRE	GRF SM	GRF/P SM	IXRGRFCP	USD	CH0412529601	DE000A26R2L3	RFGR
iSTOXX SR HEI NV/HO	HEIA NA	HEIO NA	IXRHEINH	USD	CH0412536655	DE000A26R2M1	RFHE
iSTOXX SR HEN COM/PRE	HEN GY	HEN3 GY	IXRHENCP	USD	CH0412536697	DE000A26R2N9	RFHN
iSTOXX SR INDU A/C	INDUA SS	INDUC SS	IXRINDAC	USD	CH0412536705	DE000A26R2P4	RFIN
iSTOXX SR INVE A/B	INVEA SS	INVEB SS	IXRINVAB	USD	CH0412536721	DE000A26R2Q2	RFIV
iSTOXX SR LIS REG/PC	LISN SW	LISP SW	IXRLISRP	USD	CH0412529346	DE000A26R2R0	RFLI
iSTOXX SR MAERSK A/B	MAERSKA DC	MAERSKB DC	IXRMAEAB	USD	CH0412528934	DE000A26R2S8	RFMA
iSTOXX SR RDS A-NL/B-LN	RDSA NA	RDSB LN	IXRRDSAB	USD	CH0412536994	DE000A26R2T6	RFRD
iSTOXX SR RO BR/PC	RO SW	ROG SW	IXRROBP	USD	CH0412536960	DE000A26R2U4	RFRO
iSTOXX SR SCH A/B	SCHA NO	SCHB NO	IXRSCHAB	USD	CH0412537109	DE000A26R2V2	RFSB
iSTOXX SR SCH PC/REG	SCHP SW	SCHN SW	IXRSCHPR	USD	CH0412537158	DE000A26R2W0	RFSH
iSTOXX SR SIX COM/PRE	SIX2 GY	SIX3 GY	IXRSIXCP	USD	CH0412537224	DE000A26R2X8	RFSX
iSTOXX SR SSAB B/A	SSABB SS	SSABA SS	IXRSSABA	USD	CH0412537232	DE000A26R2Y6	RFSS
iSTOXX SR TIT COM/SAV	TIT IM	TITR IM	IXRTITCS	USD	CH0412537810	DE000A26R2Z3	RFTI
iSTOXX SR UHR BR/REG	UHR SW	UHRN SW	IXRUHRBR	USD	CH0412537729	DE000A26R204	RFUH
iSTOXX SR ULVR LN/NL	ULVR LN	UNA NA	IXRULVLN	USD	CH0412537869	DE000A26R212	RFUV
iSTOXX SR VOLV B/A	VOLVB SS	VOLVA SS	IXRVOLBA	USD	CH0412537927	DE000A26R220	RFVO
iSTOXX SR VOW COM/PRE	VOW GY	VOW3 GY	IXRVOWCP	USD	CH0412537893	DE000A26R238	RFVW
Phase 2 launch (TBC Q3 2020)							
iSTOXX SR SWI A/B	19 HK	87 HK	IXRSWIAB	USD	CH0412537802	DE000A26R246	RFSW
iSTOXX SR NWS A/B	NWSA US	NWS US	IXRNWSAB	USD	CH0412536762	DE000A26R253	RFNW
iSTOXX SR LBTY A/C	LBTYA US	LBTYK US	IXRLBTAC	USD	CH0412536747	DE000A26R261	RFLB
iSTOXX SR BHP AU/LN	BHP AU	BHP LN	IXRBHPAL	USD	CH0412529155	DE000A26R279	RFBH
iSTOXX SR CCL US/LN	CCL US	CCL LN	IXRCCLUL	USD	CH0412529296	DE000A26R287	RFCC
iSTOXX SR GRF DR/LOC	GRFS US	GRF SM	IXRGRFDL	USD	CH0412536614	DE000A26R295	RFGD
iSTOXX SR RIO LN/AU	RIO LN	RIO AU	IXRRIOLA	USD	CH0412536911	DE000A26R3A4	RFRI
iSTOXX SR RYA LOC/DR	RYA ID	RYAAY US	IXRRYALD	USD	CH0412537091	DE000A26R3B2	RFRY

B. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 018/20.

Description of underlying	A detailed description of the index rules and regulations can be found in the iSTOXX® Index Methodology Guide (chapter 79. iSTOXX Spread Ratio Indices) under www.stoxx.com/rulebooks
Contract value	USD 100 per index point
Minimum price change	0.1 index points; equivalent to USD 10
Settlement	Cash settlement, due on the first exchange day after the final settlement day
Contract months	One annual expiry in the December cycle
Last trading day	The third Friday of the maturity month, if this is a trading day at Eurex Deutschland, otherwise the trading day immediately preceding that day. Close of trading for maturing series: 22:00 CET
Final settlement day	The final settlement day is the trading day following the last trading day
Final settlement price	Based on the closing index level (as published by STOXX on the last trading day)
Trading hours	09:00 22:00 CET
Eurex TES Minimum Block Trade size	100
Trading calendar	Tradable on each trading day at Eurex Deutschland

C. Product group

The product group of the new product is as follows:

Product	Product group	Settlement location unit	Regulatory status	Settlement type	Product type	Product segment	Product currency	Capacity name
RSS Futures	E/I Futures in USD	No	Not approved for trading in the U.S.	Cash	F	Equity index	USD	Cash USD

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 30.03.2020

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Part 2 Clearing of Futures Contracts

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2.27 Clearing of Related Security Spread Futures Contracts

The following provisions shall apply to the Clearing of Related Security Spread Futures Contracts specified in Number 1.28 of the Eurex Contract Specifications c**RSS Futures Contracts** d

2.27.1 Payment Procedures

To the extent not provided otherwise, all payments shall be made on the Business Day following the final settlement day as specified in Number 1.28.4 of the Eurex Contract Specifications. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the RTGS Account or the euroSIC Account.

2.27.2 Final Settlement Price

The final settlement price of the RSS Futures Contracts will be determined by Eurex Clearing AG (pursuant to Number 1.28.4 of the Eurex Contract Specifications) at the final day of a contract. With respect to the RSS Futures Contracts, the closing value of the underlying spread ratio index on the last trading day shall be decisive.

In case of extraordinary circumstances, especially if the trading is interrupted due to technical problems or if a price determination for one or more securities or book-entry securities is not possible for other reasons, Eurex Clearing AG may determine the final settlement price by means of another procedure.

2.27.3 Fulfilment, Delivery

Open positions from the last trading day of a contract shall be balanced on the final settlement day by means of a net payment credited to or debited from the internal cash account of the Clearing Member pursuant to Chapter I Part 1 Number 4.3. Such payment shall equal the difference between the final settlement price of such contract and such contract's daily settlement price on the Business Day preceding the last trading day. For positions opened on the last trading day, the booking amount shall equal the difference between the final settlement price and the trading price.

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AMENDMENTS ARE MARKED AS FOLLOWS:

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

3.1 Matching / Registration of Derivatives Transactions

Product / Product Group	Currency	Execution Type	Accounts	Standard Fee per Contract (contract volume ≤ threshold)	Reduced Fee per Contract (contract volume > threshold)	Threshold (number of contracts)
[ ]						
Volatility Index Options						
[ ]						
Related Security Spread Derivatives						
Related Security Spread Futures	USD	Order book	A	5.00	n. a.	n. a.
			P	5.00	n. a.	n. a.
			M	5.00	n. a.	n. a.
		TES	A	7.50	n. a.	n. a.
			P	7.50	n. a.	n. a.
			M	7.50	n. a.	n. a.
Bond Index Derivatives						
[ ]						

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3.3 Position Closing Adjustments

(1) For Position Closing Adjustments, if these do not take place until 13:30 CET on the trading day following the day of the transaction, the following fees shall be charged:

Product / Product Group	Account	Fee per Contract
Ш		
Volatility Index Derivatives		
Ш		
Related Security Spread Derivatives		
Related Security Spread Futures	A	USD 10.00
	P	
	M	
Bond Index Derivatives		
Ш		

3.4 Cash Settlement

(1) The following fees are charged for cash settlement of the products listed below:

Product / Product Group	Account	Fee per Contract
Ш		
Volatility Index Derivatives		
Ш		
Related Security Spread Derivatives		
Related Security Spread Futures	A	USD 5.00
	P	
	M	
Bond Index Derivatives		
U		

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