



Eurex Clearing Resources Circulars & Mailings

Release date: 21 Nov 2019 | Eurex Clearing

No. 110/2019

Volatility Derivatives: Introduction of Futures on EURO STOXX 50® Realized Dispersion Index

Eurex Clearing Circular 110/19

1. Introduction

Effective **16 December 2019**, Eurex Clearing AG will offer clearing services for Futures on EURO STOXX 50® Realized Dispersion Index (Dispersion Index Future) introduced at Eurex Deutschland.

In this context, the following measures will apply effective **16 December 2019**:

- The amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) regarding the inclusion of Dispersion Index Futures contracts,
- The amendments to the Price List of Eurex Clearing AG (Price List) regarding the inclusion of Dispersion Index Futures contracts.

To reflect the amendments, the following provisions will be amended as outlined in Attachment 2 and 3:

- Chapter II Part 2 Number 2.1.2 and 2.6.2 of the Clearing Conditions
- Section 3 Number 3.1, 3.3, 3.4 of the Price List

Please refer to Eurex circular 111/19 for detailed trading-related information as well as the amendments of the relevant rules and regulations of Eurex Deutschland.

2. Required action

Following the new product assignment logic, as introduced with C7 Release 6.0 on 18 November 2019, the Dispersion Index Futures will per default be allowed for trading and clearing for all Market Participants.

In case a DC Market Participant or the Clearing Member itself should not be able to trade the product, Clearing Members must take action and adjust the product setting in the C7 Clearing System accordingly.

The Dispersion Index Futures will be part of the capacity "Cash/Physical EUR – CFTC".

3. Details of the initiative

A. General parameters of the new product

For the general parameters of the Eurex product, please refer to the table in Attachment 1.

B. Contract specifications

Please refer to the table in Attachment 1.

For the detailed contract specifications, please refer to Eurex circular 111/19.

C. Transaction fees

The transaction fees named in the table in Attachment 1 for trading and clearing apply for the new Dispersion Index Futures.

Please refer to Attachment 3 for the updated sections of the Price List of Eurex Clearing AG (Price List).

D. Simulation

Starting 22 November 2019, the new product will be available in the Eurex simulation environment for testing purposes. For further information, please refer to the simulation calendar on the Eurex website www.eurexchange.com under the following link:

[Technology > Simulation calendar](#)

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](#)

F. Trading hours (all times are CET)

For the trading hours, please refer to the table in attachment 1.

As of the effective date, the full version of the amended Clearing Conditions and the 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 in 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:

- Tables for general parameters of the new product, contract specifications, transaction fees and trading hours
- Amended sections of the Clearing Conditions of Eurex Clearing AG
- Amended sections of the Price List of Eurex Clearing AG

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, vendors, all FCM Clearing Members and other affected contractual parties

Target groups: Front Office/Trading, Middle + Back Office, IT/System Administration, Auditing/Security Coordination

Contact: Clearing Operations, T +49-69-211-1 12 50, clearing@eurexclearing.com
Risk Control, T +49-69-211-1 24 52, risk@eurexclearing.com

Web: www.eurexclearing.com

Related Circular: Eurex circular 111/19

Authorized by: Heike Eckert

Further information

[Attachment 1 to Eurex Clearing circular 110/19](#)

[Attachment 2 to Eurex Clearing circular 110/19](#)

[Attachment 3 to Eurex Clearing circular 110/19](#)

[Navigate to Eurex News](#)

© Eurex Clearing AG

3. Details of the initiative

A. General parameters of the new product

Eurex product		Underlying instrument	
	Product code	Product ISIN	Underlying ISIN
Futures on EURO STOXX 50 [®] Realized Dispersion Index	FESD	DE000A26RDV4	CH0502171678

B. Contract specifications

For the detailed contract specifications, please refer to Eurex circular 111/19.

Specification	Futures on EURO STOXX 50 [®] Realized Dispersion Index
Product ID/Type	Product ID: FESD Product Type: FVOL
Contract size	EUR 5.00 per Realized Dispersion Index point
Minimum price change	EUR 0.05
Contract months	Terms of up to two years, expiring on the final settlement day up to and including the next two succeeding December expirations
Cash settlement	Cash settlement, payable on the first exchange day following the last trading day
Last trading day and final Settlement Day	Last trading day is the final settlement day. Final settlement day is the third Friday of the expiration month, if this is an exchange day at Eurex Deutschland, otherwise the day immediately preceding the expiration day. Close of trading in the maturing Realized Dispersion Index Futures on the last trading day is at 17:30 CET.
Final settlement price	The last (closing) EURO STOXX 50 [®] Realized Dispersion Index tick on the third Friday of the maturity month
Trading hours	09:00 - 17:30 CET
Eurex T7 Entry Services	09:00 - 21:00 CET

C. Transaction fees

The following transaction fees for trading and clearing apply for the new Dispersion Index Futures:

Contract	Currency	Standard fee per contract (contract number ≤ threshold value)		Reduced fee per contract (contract number > threshold value)		Threshold value A-accounts (contract number)	Threshold value P-accounts (contract number)
		A account	P/ M account	A account	P/ M account		
On-exchange trades							
Futures on EURO STOXX 50® Realized Dispersion Index	EUR	1.40	1.20	n.a.	n.a.	n.a.	n.a.
Off-exchange trades							
Futures on EURO STOXX 50® Realized Dispersion Index	EUR	2.10	1.80	n.a.	n.a.	n.a.	n.a.

F. Trading hours (all times are CET)

Product	Pre-Trading Period	Continuous Trading	Post-Trading Period until	Off-book Trading Period	Off-book Post-Trading Period until	Last Trading Day Trading until
Futures on EURO STOXX 50® Realized Dispersion Index	07:30-08:50	09:00-17:30	21:15	09:00-21:00	21:15	17:30

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 16.12.2019

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED,
DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of Futures Contracts

[...]

2.1 General Provisions

[...]

2.1.2 Daily Settlement Price

[...]

(5) Reference times

The scheduled reference times for the determination of the daily settlement prices for the respective Contracts are set out in the table below:

Contract	Reference Time (CET)
[...]	
Index Total Return Futures Contracts	17:30
<u>EURO STOXX 50® Dispersion Futures Contracts</u>	<u>17:30</u>

[...]

[...]

Clearing of Volatility Index Futures contracts[...]

2.6.2 Final Settlement Price

The final settlement price of the Volatility Index Futures Contract shall be determined by Eurex Clearing AG on the final settlement day (Number 1.5.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland) of a contract.

For VSTOXX® Futures contracts (product ID: FVS), the average value of all index calculations of the VSTOXX® between 11:30 and 12:00 CET on the last trading day applies.

For EURO STOXX 50® Dispersion Futures Contracts (product ID: FESD), the last value of the EURO STOXX 50® Realized Dispersion Index on the last trading day available after 18:00 CET applies.

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Preamble

[...]

[...]

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 Derivatives						
Volatility Index Futures						
EURO STOXX 50® Variance Futures	EUR	Order book	A	0.30	n. a.	n. a.
			P	0.20	n. a.	n. a.
			M	0.20	n. a.	n. a.
		TES	A	0.45	n. a.	n. a.
			P	0.30	n. a.	n. a.
			M	0.30	n. a.	n. a.
<u>EURO STOXX 50® Realized Dispersion Index Futures</u>	EUR	<u>Order book</u>	<u>A</u>	<u>1.40</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>1.20</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>1.20</u>	<u>n. a.</u>	<u>n. a.</u>
		<u>Eurex EnLight</u>	<u>A</u>	<u>2.10</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>1.80</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>1.80</u>	<u>n. a.</u>	<u>n. a.</u>
		<u>TES</u>	<u>A</u>	<u>2.10</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>P</u>	<u>1.80</u>	<u>n. a.</u>	<u>n. a.</u>
			<u>M</u>	<u>1.80</u>	<u>n. a.</u>	<u>n. a.</u>
VSTOXX® Futures	EUR	Order book	A	0.20	n. a.	n. a.
			P	0.20	n. a.	n. a.
			M	0.20	n. a.	n. a.
		Eurex EnLight	A	0.30	n. a.	n. a.
			P	0.30	n. a.	n. a.
			M	0.30	n. a.	n. a.
		TES	A	0.30	n. a.	n. a.
			P	0.30	n. a.	n. a.
			M	0.30	n. a.	n. a.
[...]						

[...]

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	Fee per Contract
[...]	
Volatility Index Derivatives	
EURO STOXX 50® Variance Futures	EUR 0.60
<u>EURO STOXX 50® Realized Dispersion Index Futures</u>	<u>EUR 2.80</u>
VSTOXX® Futures	EUR 0.40

Product / Product Group	Fee per Contract
Options on VSTOXX® Futures	EUR 0.60

3.4 Cash Settlement

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

Product / Product Group	Fee per Contract	Maximum Fee for Contracts on the same underlying of each A-, P- and M-Account
[...]		
Volatility Index Derivatives		
EURO STOXX 50® Variance Futures	EUR 0.30	n. a.
<u>EURO STOXX 50® Realized Dispersion Index Futures</u>	<u>EUR 1.40</u>	<u>n. a.</u>
[...]		

[...]

[...]
