



Eurex Clearing Circular 044/18

Extension of trading hours for selected benchmark futures and MSCI futures

Summary

Eurex Deutschland plans to extend its trading and clearing hours (together: "extended service hours") for selected Equity Index, Fixed Income, Volatility and MSCI futures into the Asian time zone in **December 2018**.

The extended service hours will allow market participants to implement more precise hedging techniques, to run relative value/cross-market strategies and to act on market news or major events outside the European core trading hours.

All Trading Participants and Clearing Members can participate during the extended service hours via existing memberships and infrastructure.

For the purpose of liquidity provision during the extended trading hours, Eurex Deutschland plans to introduce an additional incentive programme for Liquidity Providers.

Following the initial Eurex circular 023/18 for Trading Participants published on 11 April 2018, this circular informs Clearing Members about key design elements, the products in scope, key operational requirements and expected operational support during the extended service hours.

Date: 14 May 2018

Recipients:

All Clearing Members, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:

Heike Eckert

Target group:

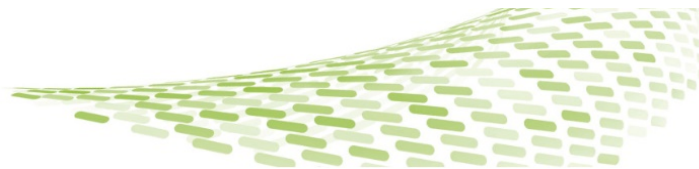
All departments

Related circular:

Eurex circular 023/18

Contact:

Your Group Client Key Account Manager Clearing,
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Extension of trading hours for selected benchmark futures and MSCI futures

Key cornerstones of the operational trading model

Trading hours

With the introduction of extended trading hours from December 2018, the market opening for selected Equity Index (incl. MSCI), Fixed Income and Volatility futures at Eurex Deutschland will be moved forward to 01:00am CET/02:00am CEST (08.00am Singapore time), starting with a Pre-Trading phase and an Opening Auction, before Continuous Trading begins at 01:15am CET/02:15am CEST (08:15am Singapore time).

Subject to market feedback, for some futures an additional intraday auction may be considered during the European morning hours. The end of the trading day will remain unchanged for all products.

Preliminary product scope

The following products are currently in scope for the extended trading hours. The product scope outlined below may be revised in the course of 2018:

Equity Index Futures:

- FESX – EURO STOXX 50[®] Futures
- FDAX – DAX[®] Futures
- FDXM – Mini-DAX[®] Futures
- All MSCI futures listed at Eurex Deutschland

Volatility Futures:

FVS – VSTOXX[®] Futures

Fixed Income Futures:

- FGBL – Euro Bund Futures
- FGBM – Euro Bobl Futures
- FGBS – Euro Schatz Futures
- FGBX – Euro Buxl[®] Futures

Access requirements for Trading Participants

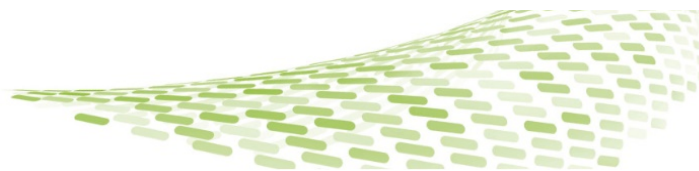
All Trading Participants and admitted traders will automatically get access to the extended trading hours without the need to submit additional admission documents.

Key cornerstones of Clearing & Risk Management model

Clearing and risk functions will be offered during the extended service hours. Clearing Members can use their existing memberships and connectivity during the extended service hours.

The clearing system C7 of Eurex Clearing, Eurex Clearing Prisma including Advanced Risk Protection shall be available during the extended service hours. The availability of systems will be displayed on the Eurex Clearing website www.eurexclearing.com under the following link:

[Technology > Service-Status](#)



For the products which are in scope for the extended service hours, clearing functionalities will be offered, including Give-Ups/Take-Ups.

In order to further optimise the IT infrastructure, the Advanced Risk Protection functionality will be migrated from Eurex Classic to the C7 system with C7 Release 4.1 planned for 3 December 2018. This includes limit maintenance activities as well as Stop/Release activities.

Members can also expect that report TA111 (All Active/Inactive Series) is provided more than two hours earlier than today. An earlier provision of selected other reports is currently being analysed.

Introduction of Pre-Trade Risk Limits

With T7 Release 7.0 to be launched on 3 December 2018, a new risk functionality will be introduced in T7, which can optionally be used by Trading Participants and Clearing Members.

The new functionality will allow Members to effectively steer position risks, before an order enters the order book by setting maximum position limits (long and short) on product level for approximately 100 selected futures. Existing positions resulting from trades during the current trading day and open orders are taken into account. In case the execution of a newly entered order may result in a violation of a maximum position risk defined by the Trading Participant, such order will be rejected.

Clearing Members will be enabled to define position limits for their Non-Clearing Members. A limit set by a Non-Clearing Member cannot exceed the respective limit set by its General Clearing Member. It will be possible to upload a set of limit parameters via an API.

Details of this new functionality will be communicated via the upcoming circulars and documentation on T7 Release 7.0.

Risk concept and currencies to cover a margin call

Existing procedures for Clearing Members shall remain unchanged as far as possible. Overnight margin calls will continue to be debited in the European morning. Moreover, the overnight margin calls will be considered as fulfilled during the extended service hours, i.e. each collateral pool starts into the extended service hours without a shortfall.

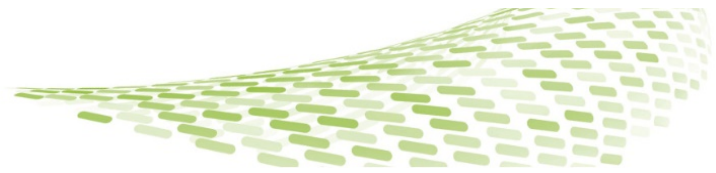
An intraday margin call during the extended service hours shall only be issued under the following conditions:

- a. in case of positions changes during the extended service hours due to trading and/or clearing activities (e.g. position transfer, Give-Up/Take-Up etc.)

and

- b. when the intraday risk limit of the Clearing Member is exceeded (10 percent of the Clearing Member's Total Margin Requirement).

In case an intraday margin call needs to be fulfilled during the extended service hours, U.S. dollar (USD) and Australian dollar (AUD) are offered as currencies to cover such margin call. Already existing USD payment infrastructures can be utilised. Initially, it will not be possible to provide securities collateral during the extended service hours.



Clearing Members must ensure that an intraday margin call during the extended service hours can be fulfilled timely upon request. For this purpose, Eurex Clearing AG will collect contact details for the extended service hours from all Clearing Members later this year. The respective contact person does not have to be qualified as QCS (“Qualified Clearing Staff”).

Support during the extended service hours

Customer Technical Support, client helpdesks for clearing & risk as well as Market Supervision will be staffed and contactable throughout the extended service hours.

Communication and onboarding support

In case you have further questions or need assistance, please do not hesitate to contact your Key Account Manager.

Eurex Deutschland will offer a central website for this project, where all relevant information will be published. The path on the Eurex website www.eurexexchange.com is:

[Resources > Initiatives > Trading Hours Extension](#)

14 May 2018