

EUREX Architects of trusted markets

Next Generation ETD

3rd Industry Call

27 January 2022



Agenda

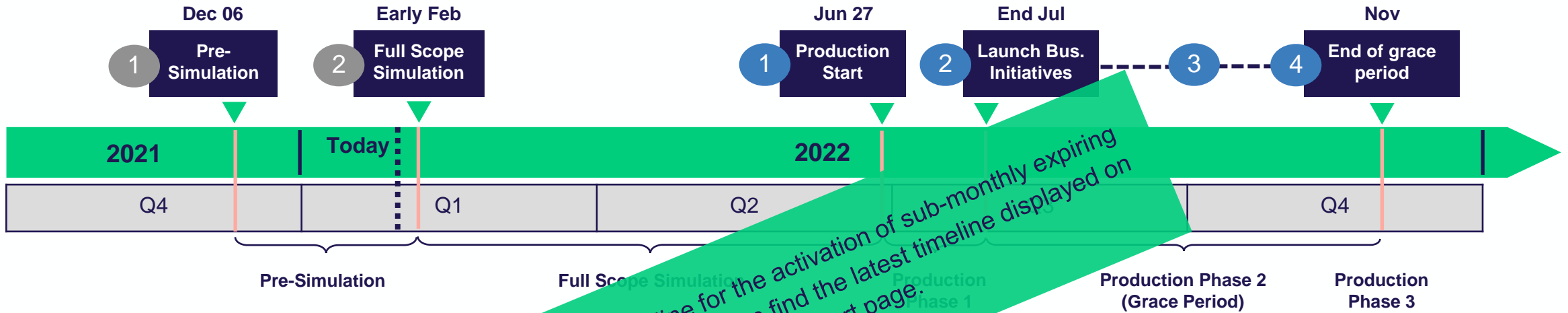
1 Project Updates (20 minutes)

2 Prepared Q&As (15 minutes)

3 Live Q&As (45 minutes)

1 Project Updates

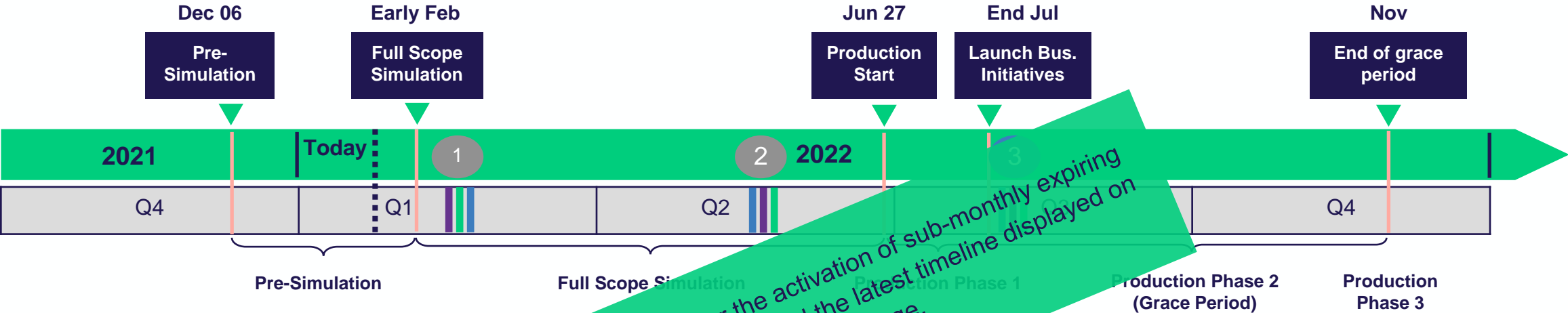
Rollout Approach for Simulation and Production



Please note. The timeline for the activation of sub-monthly expiring contracts has changed. You can find the latest timeline displayed on our Eurex Support page.

- 1 Pre- Simulation Start (Dec 6): Technical launch of sub-monthly expiring contracts (Dec 6)
- 2 Full Scope Simulation (Feb):
 - Availability of Prisma Transparency Enabler files (Feb 3)
 - All trading & clearing members are switched to L2 (Feb 4)
 - First activation of sub-monthly expiring contracts as level 2 contracts in selected products (Feb 9)
- 1 Production Start (Jun 27): T7 10.1, C7 8.1, Prisma 11.1 and Production Phase 1 (Jun 27 – end Jul):
 - Approach of your BO vendor determines timing of CMs (and their trading members) switch from Member Level 1 to 2.
- 2 Launch of Business Initiatives
- 3 Production Phase 2 (*Grace Period*, July - Nov)
- 4 Production Phase 3 (Latest beginning of Dec):
 - Migrate all contracts over a certain period of time from L1 to L2 / members that have not switched to L2 will no longer be able to trade and clear ETD products at Eurex

Contract Activation Timeline for Simulation and Production



Simulation

- 1 **Wave 1:** Activation of sub-monthly expiring contracts (T7 10.0, C7 8.1)
 - Feb 09: Integration of all weekly expiring contracts in option NOA3
 - Feb 11: Daily expiring contracts in SSF AXAP, BAYP, NO3P
 - Feb 18: Daily expiring contracts in MSCI Futures FMEA, FMWN
- 2 **Wave 2:** Activation of sub-monthly expiring contracts (T7 10.1, C7 8.1)
 - May DD: Daily expiring contracts in MSCI Futures FMWO, FMJP, FMEF
 - May DD+2: Integration of all weekly expiring contracts in option OESX
 - May DD+7: Daily expiring contracts in SSF ADSP, BMWP, ROGP, UBSP

Production

- 3 **Launch of Business Initiatives**
 - July 18: Activation of daily expiring contracts in all MSCI futures
 - July 25 (4th Friday expiration in July): Activation of integrated weekly and end-of month expiring contracts in all relevant options incl. OESX
 - Aug 01: Activation of daily expiring physically settled SSFs supporting delta neutral options volatility strategy trading in corresponding SSOs




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Integration of Weekly Options – Sequential Approach

Example: OESB (main option) & OEB1/2/4/5 (weekly options) starting 4th Friday July 2022 (OEB4 Jul22 expiration day)

Creation Date	Expiry Date	Friday of Month	Contracts of Weekly Options Products	Contracts of Main Options Product
2022-05-27	2022-06-24	4	OEB4 Jun22	
2022-06-03	2022-07-01	1	OEB1 Jul22	
2022-06-10	2022-07-08	2	OEB2 Jul22	
2022-04-15	2022-07-15	3		OESB Jul22
2022-06-24	2022-07-22	4	OEB4 Jul22	
2022-04-29	2022-07-29	5	OEB5 Jul22	
2022-07-01	2022-08-05	1	OEB1 Aug22	
2022-07-08	2022-08-12	2	OEB2 Aug22	
2022-05-20	2022-08-19	3		OESB Aug22
2022-07-22	2022-08-26	4	OEB4 Aug22	OESB Aug22-W4Fr
2022-07-29	2022-09-02	1	OEB1 Sep22	OESB Sep22-W1Fr
2022-08-05	2022-09-09	2	OEB2 Sep22	OESB Sep22-W2Fr
2020-03-20	2022-09-16	3		OESB Sep22
2022-08-12	2022-09-23	4		OESB Sep22-W4Fr
2022-08-19	2022-09-30	5	OEB5 Sep22	OESB Sep22-W5Fr

Legend

-  Monthly expiration & creation cycle valid in weekly options products (*current approach*)
-  Sequential integration of weekly contracts during transition phase (*temporarily valid*)
-  Weekly expiration & creation cycle in main option product (*new approach*)

Simulation Status of Next Gen Deliverables (T7, C7, Prisma)

		T7		C7		PRISMA	
		What	When	What	When	What	When
Simu	T7 Trader GUI adaptations		13 Sep '21 ✓				
	New Contract Reference Attributes (RDI, RDF)		13 Sep '21 ✓				
	T7 ETI Enhancements		13 Sep '21 ✓				
				FIXML interface changes	06 Dec '21 ✓	New Transparency Enabler Files Layout	06 Dec '21 ✓
				All impacted C7 Reports	06 Dec '21 ✓	Availability of sub-monthly contracts in Settlement Price File only*	06 Dec '21 ✓
	Sub-monthly contract* (weekly futures)		06 Dec '21 ✓	Sub-monthly contract* (weekly futures)	06 Dec '21 ✓	Sub-monthly contract* (weekly futures)	06 Dec '21 ✓
	Member vs. Contract Level Validation		04 Feb '22	C7 GUI adaptations	17 Jan '22 ✓	All impacted PRISMA Reports	03 Feb '22
	Availability of sub-monthly expiring contracts		09 Feb '22	Member vs. Contract Level Validation	04 Feb '22	Availability of sub-monthly expiring contracts	09 Feb '22
				Availability of sub-monthly expiring contracts	09 Feb '22		
	New Instrument SubType (Basis Trading)		May '22	New Instrument SubType (Basis Trading)	May '22		

2 Prepared Q&As

A. Level Concept

1. What is the purpose of the level concept?
2. Is it possible to trade and clear existing contracts after the activation of sub-monthly expiring contracts on Level 1?
3. Does the contract level change during its lifetime? Are there products with different contract levels?
4. Can the member level of a trading participant be higher than the level of its clearing member?

Please note: a Grace Period will no longer be offered, therefore the Level Concept and associated changes are no longer relevant. All members will instead be switched to Level 2 at the same time – see the timeline provided on the dedicated Eurex Next Gen support page.

B. Reference & Market Data

- 1. Which fields will be relevant in order to be able to identify contracts?**
- 2. Are data vendors aware of and considering the changes associated with Next Gen? Are data vendors able to provide testing opportunities?**
- 3. What is the difference between contract date and expiration date? In what situations should they be used?**

B. Reference & Market Data

- 4. Can the exercise style (for options only) and settlement method differ for standard contracts within the same product?**
- 5. Will the flexible product ID be decommissioned with Next Gen?**
- 6. Is the YYYY-MM identification available for Sub-Monthly contracts?**
- 7. How are GUI front ends affected by the Next Gen project? What do front end providers need to consider?**

C. Introduction Approach

- 1. What products are not impacted by Next Gen?**
- 2. Will open positions in weekly contracts be converted into the main product ID upon inclusion of weeklies in the main product ID or will these positions be left to expire?**
- 3. Is the Next Gen initiative impacting the Excessive System Usage (ESU) fee calculation?**
- 4. What pricing changes will Next Gen bring? How will calendar spreads using sub-monthly expiring contracts as leg contracts be priced?**

3 Live Q&As

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