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# Equity Derivatives & Home Market Settlement

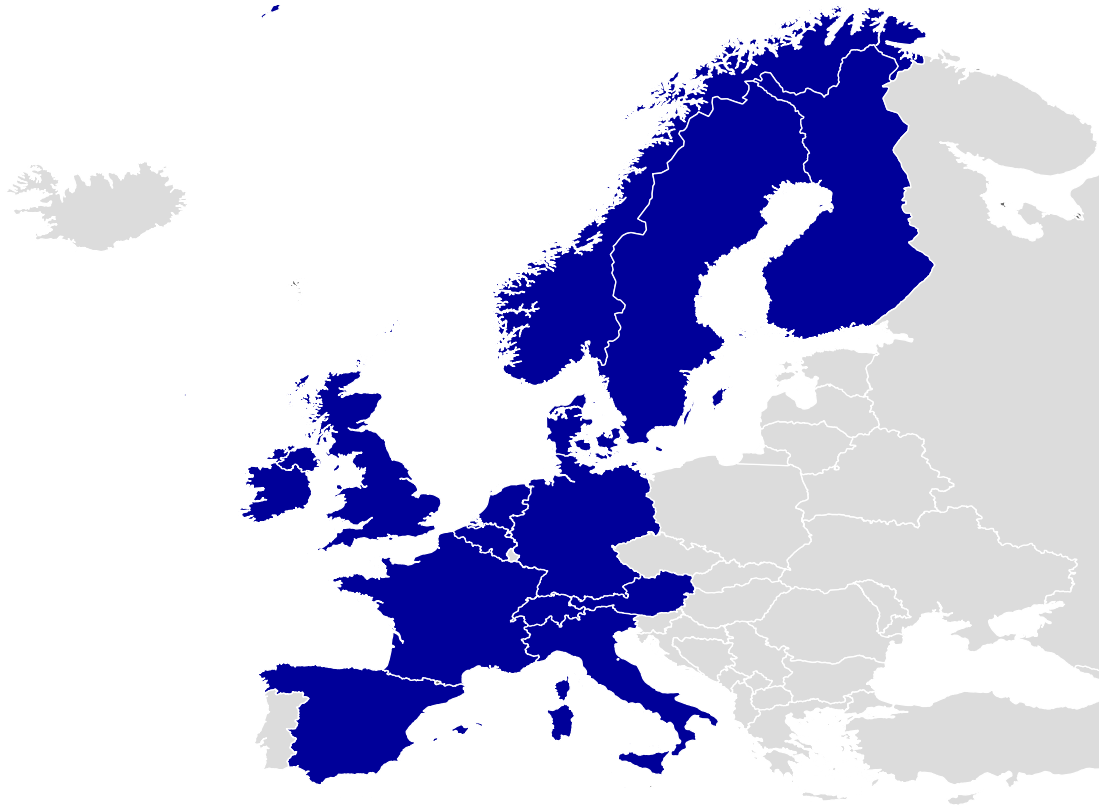
Eurex – August 2024

# Agenda

- 1 Single Stock Options**
- 2 Single Stock Ecosystem**
- 3 Vola-Strategies**
- 4 Home Market Settlement Initiative**

# Single Stock Options

# The most comprehensive European Single Name Equity offering

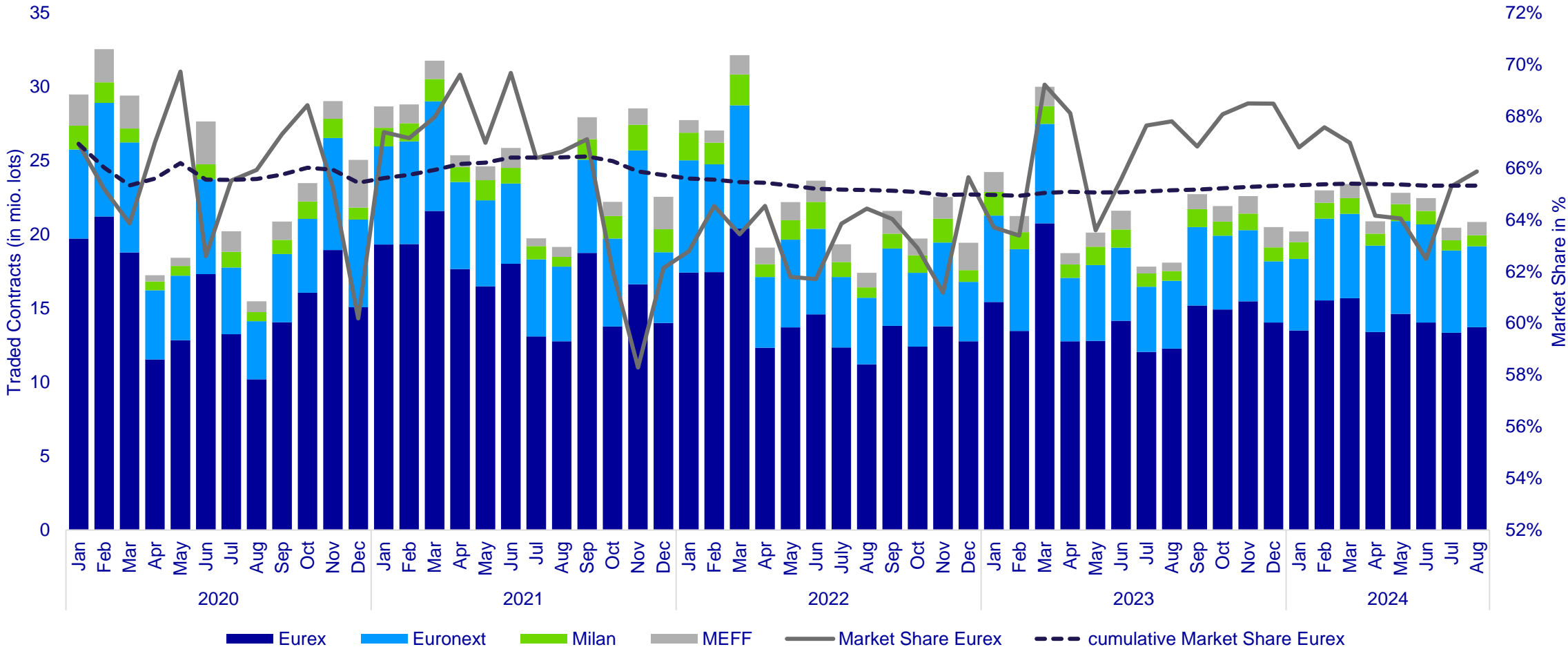


Equity Options Currency	Underlying Country	Index Components Covered	No. of Equity Options **
CHF	Switzerland	SMI, SLI, SMIM	156
EUR	Germany	DAX®, MDAX®, TecDAX®	205
	France	CAC40	89
	Netherlands	AEX	51
	Italy	FTSE MIB	40
	Spain	IBEX 35	23
	Belgium	BEL 20	18
	Austria	ATX, ATX five	23
	Finland	OMX Helsinki 25	21
	Ireland	ISEQ 20	7
	GBP	Great Britain	FTSE 100
SEK	Sweden	OMX Stockholm 30 and Large Caps	34
DKK	Denmark	OMX 20 Copenhagen	7
NOK	Norway	OMX Oslo	5 in Q4 2024
<b>Total</b>			<b>707</b>

- Eurex market participants are able to trade 700+ Equity options on over 500 stocks, from 12 countries.\*

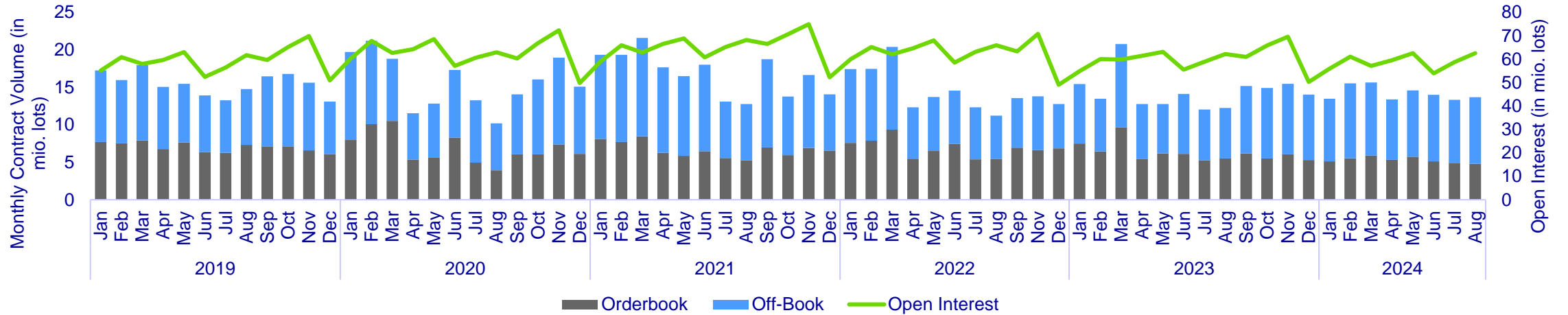
\* Equity Options are not available for firms trading from the U.S.  
 \*\* standard American style Equity Options - majority of products also available with weekly expiry and/or European style exercise

# Eurex is the leading European Exchange in Single Stock Options



IDEM (Italian Derivatives Market)  
MEFF (Mercado Español de Futuros Financieros)

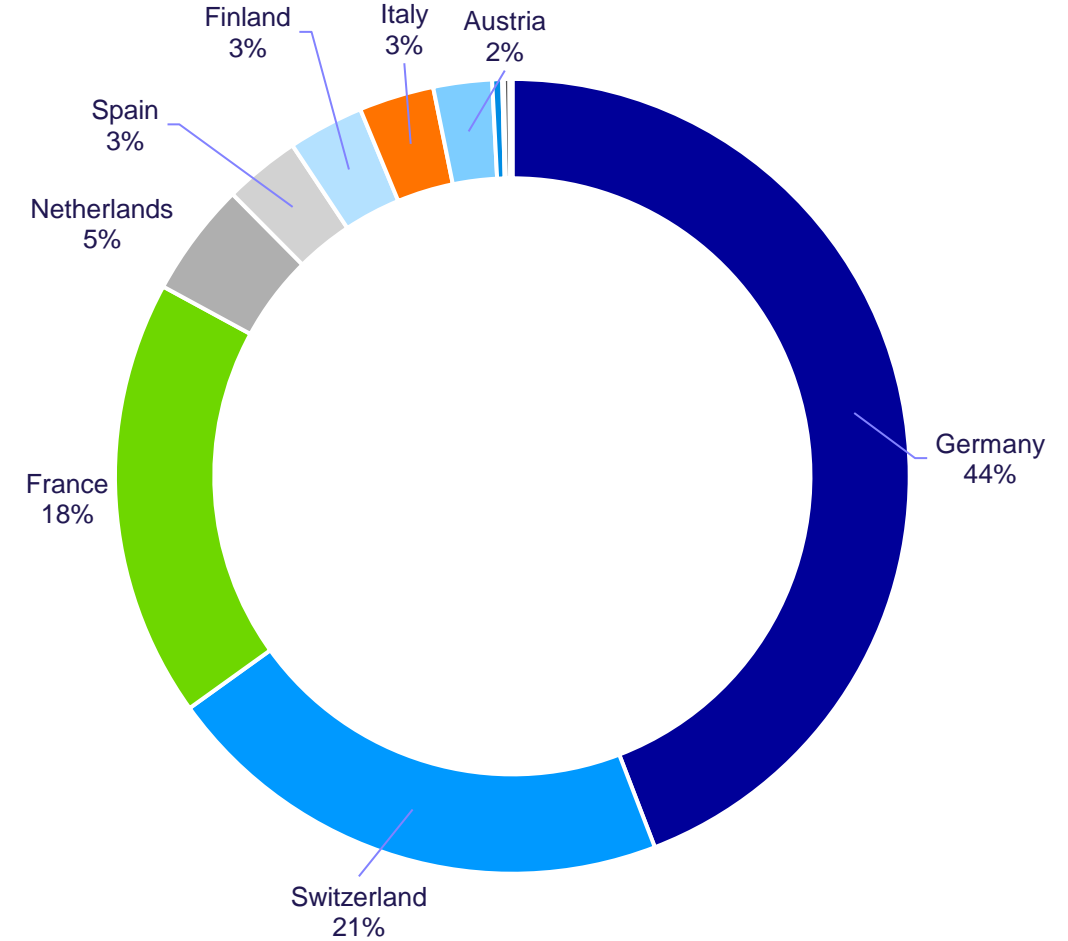
# Development Single Equity Options



Year	Contract Volume	Volume YoY Change	Daily Average Volume	Order Book Share %	No. of Trades	Market Share – Volume %			Open Interest
						Agent	MM	Principal	
2024	113,672,862	0%	664,753	37%	775,506	50%	38%	12%	62,567,092
2023	173,242,642	1%	679,383	43%	1,196,762	44%	42%	14%	50,344,110
2022	172,017,394	-15%	679,911	47%	1,255,949	44%	43%	13%	49,117,875
2021	201,529,915	7%	790,313	40%	1,115,250	49%	38%	14%	52,301,492
2020	189,106,929	2%	738,699	44%	1,178,765	40%	44%	16%	49,863,675
2019	185,670,496	-	722,453	46%	1,164,768	36%	49%	15%	50,925,143

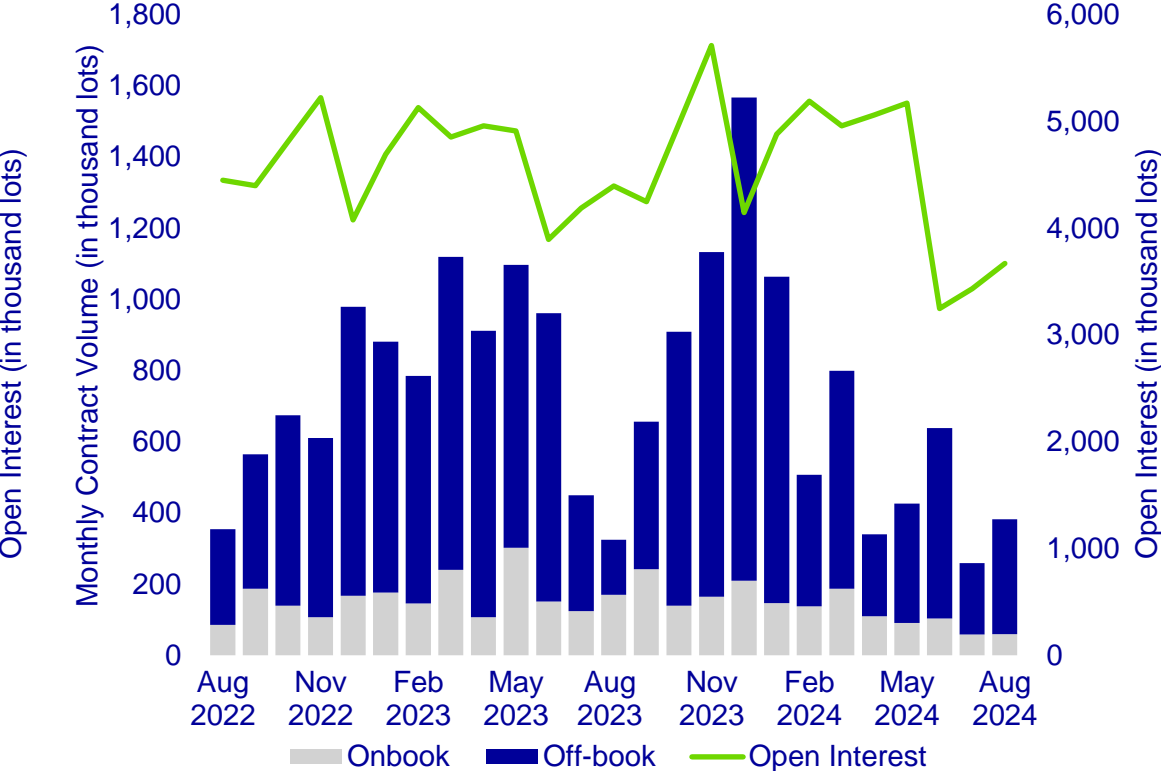
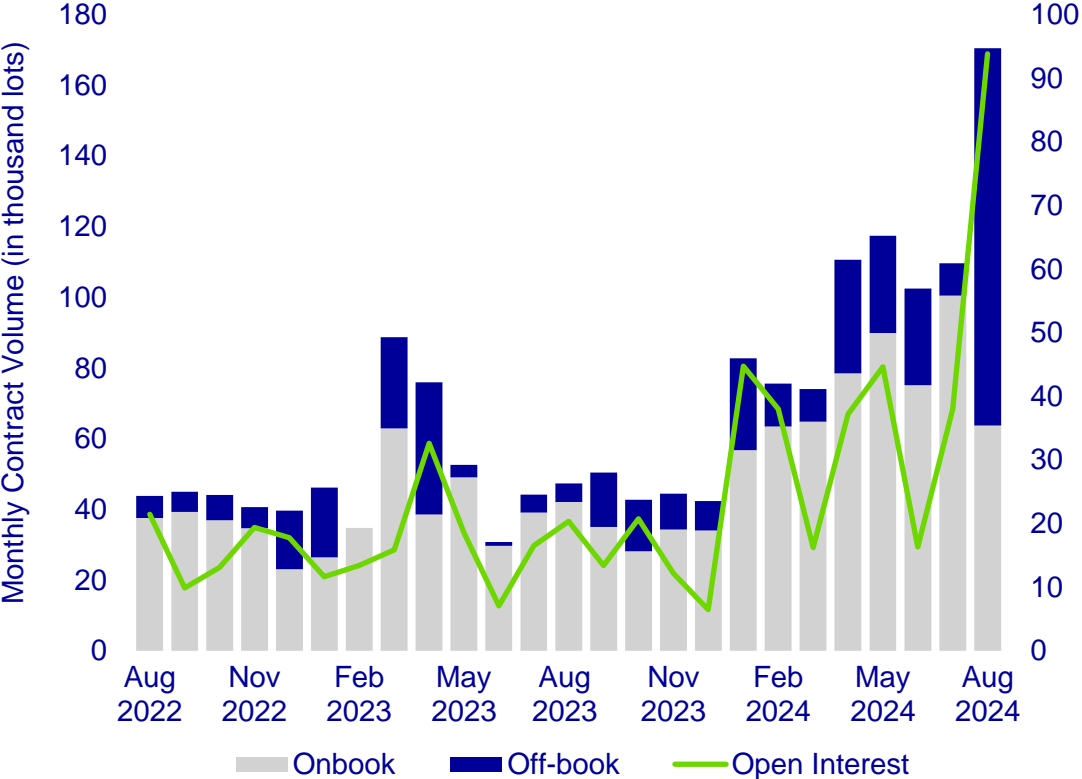
# Development Single Equity Options

Country	YTM 2024	YTM 2023	% Change
Germany	50,200,478	46,148,993	9%
Switzerland	23,783,617	31,785,131	-25%
France	20,276,858	16,331,676	24%
Netherlands	5,280,684	6,688,404	-21%
Spain	3,520,963	4,124,397	-15%
Finland	3,505,621	3,545,976	-1%
Italy	3,471,041	2,856,361	22%
Austria	2,711,208	1,148,859	136%
Great Britain	458,928	357,377	28%
Sweden	76,420	580	13076%
Belgium	254,798	428,400	-41%
Ireland	132,004	246,469	-46%
Denmark	242	-	
Luxembourg	-	1,169	
<b>Total</b>	<b>113,672,862</b>	<b>113,663,792</b>	<b>0.01%</b>



# Weekly expiries & European style exercise

- Weekly options are offered for the 60+ most liquid underlyings
- European style options are available on 110+ underlying assets





# Benefit from Margin benefits and mitigate counterparty risk



## Netting effects

By bundling your volume on one platform you benefit from margin benefits due to netting effects



## Portfolio Margining PRISMA

The portfolio margining system PRISMA allows netting effects between all assets within the same liquidation group



## Central Counterparty (CCP)

All traded and cleared instruments at Eurex are cleared within the CCP and mitigates counterparty risk that would arise with an equivalent OTC trade

## EURO STOXX 50 Futures vs. Blue Chips



\*Premium margin payments are excluded in the calculations.

# Trade Entry Service



## Trade Entry Service

- Enter bilaterally agreed off-book transactions above the Minimum Block Trade Size threshold into the trading and clearing system.
- Registered off-book trades are cleared in the same manner as regular exchange transactions



## Flex Options

- Flexible options contracts allows customization of equity options to suit the participant requirement
- Users define Exercise price, Expiration date, Exercise style and Settlement type
- Flexible contracts are not disclosed intra-day

# Eurex EnLight



## Increase your process efficiency

Eurex EnLight is integrated into Eurex state-of-the-art T7 trading platform with straight-through processing



## Source the right liquidity pools

Smart RfQ guides you to the right source of liquidity based on trading data and analytics



## Broad range of liquidity provider

A broad range of liquidity provider offer competitive quotes and liquidity for larger sizes than the order book can absorb



## Negotiate within the CCP framework

EnLight is integrated into the CCP framework that eliminates bilateral counterparty risk at any point in time during the negotiation workflow

# Single Stock Ecosystem

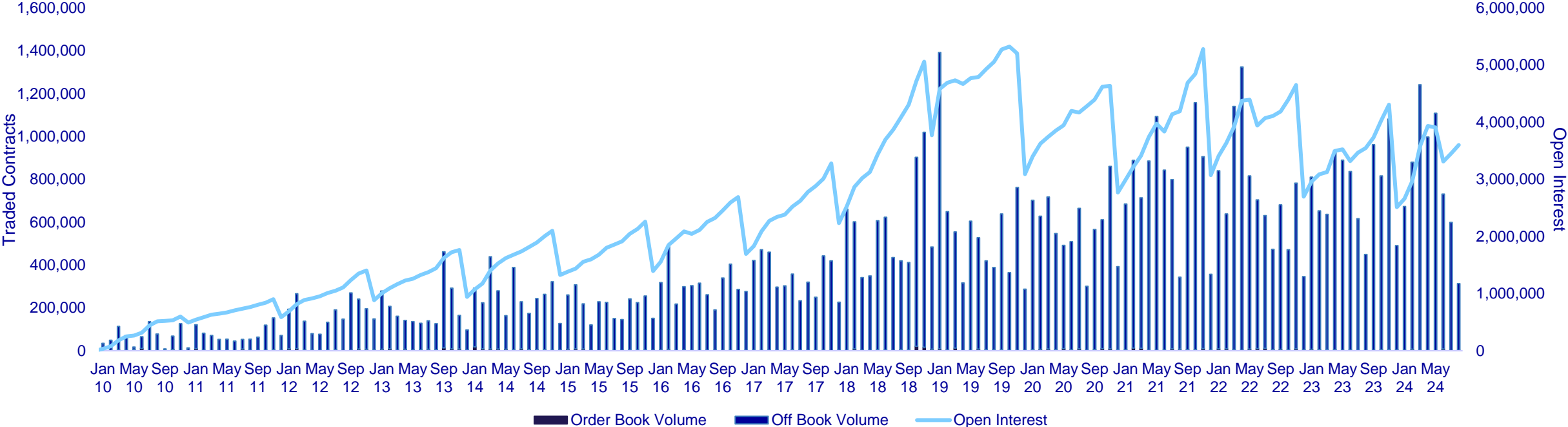
# One Stop Shop SSF's

- **880+ Single Stock Futures** are Tradable at Eurex Exchange
- **Single Stock Futures** are traded on 21 exchanges globally
- **Eurex Market Participants** are now able to trade SSFs on 887 names, from 19 different global markets, including emerging markets
- **Suggestions are welcomed** in case you have additional underlyings that you would like to see listed, let us know

SSF Currency	Underlying Country		Index Components Covered	No. of SSFs	Settlement Type of Flexible SSFs	
CHF	Switzerland	CH	SMI, SLI and SMIM	94	Cash	
	Austria	AT	ATX	23	Cash	
	Belgium	BE	BEL 20	25	Cash / Physical	
	Germany	DE	DAX, MDAX and TecDAX	173	Cash / Physical	
	Spain	ES	IBEX 35	57	Cash / Physical	
	Finland	FI	OMX Stockholm 30	28	Cash / Physical	
	EUR	France	FR	CAC 40	113	Cash / Physical
		Ireland	IE	ISEQ 20 Index	6	Cash / Physical
		Italy	IT	FTSE MIB	50	Cash / Physical
		Netherlands	NL	AEX Index	64	Cash / Physical
Norway		NO	OSEBX	4	Cash	
Portugal		PT	PSI 20	4	Cash	
Sweden		SE	OMX Stockholm 30	6	Cash	
Poland		PL	WIG 20	9	Cash	
GBP	UK	GB	FTSE 100 Index	92	Cash	
	Brazil	BR		2	Cash	
USD	U.S.	US	S&P 500	104	Cash	
	Canada	CA		31	Cash	
DKK	Denmark	DK		2	Cash	
<b>Total</b>				<b>887</b>		

# Single Stock Dividend Futures

## Volume & Open Interest



Year	Traded Contracts	Daily Average	YoY Change	Order Book Share	No. of Trades	Market Share		
						Agent	MM	Principal
2024	6,542,105	38,258	12.42%	0.35%	8,852	79%	16%	5%
2023	9,169,135	35,957	3.51%	0.49%	12,409	78%	19%	4%
2022	8,847,167	34,425	-8.73%	0.84%	12,293	78%	19%	3%
2021	9,619,127	37,283	27.33%	0.77%	12,659	74%	23%	3%

Notional Open Interest as of end of Aug-24: 4 bln. EUR

# Vola-Strategien

# Volatility strategies in Single Stock Options

## Full STP of delta neutral strategies

1) Creation of volatility strategy (i.e. Call-U) with selection of the respective physically settled single stock future with same day expiry (T0):

**Eurex EnLight Request Details - OPT ON BAYER**

EnID	Contract	Type	Ratio	Eff B/S	Eff Volume	NegStatus	Reques
	BUY BAY Mar22	4800 C 0					INOH
	<b>SELL BAYP T0</b>	<b>48.6800</b>					nMinC 350

Fix Ref and Delta

Phase	BQty	Bid	Ask	AQty
CLOB Implied				

Susp  Firm/Indic  Anon  Side  Side **B/S** ShowToAll  Total  Open  Quant

BidQty	Bid	Ask	AskQty	Info	AckStatus	ShownSide
	MySellLimit	MyBuyLimit				

**ToB**

Strategy: **CALL-U** Detected: Call Volatility Trade

Leg 1: ODAX BAY Underleg: BAYP

OESX: Mar22, Apr22, May22, Jun22, Sep22

OGBM: Mar22, Apr22, May22, Jun22

OGBS: Jun22, May22

ODAX: 4200, 4400, 4600, **4800**, 5000, 5250, 5500, 6000

48.6800 EUR

Fix Ref and Delta

50.00

50.00

CALL

- 100 + - 50 +

EffSide EffSide

# Home Market Settlement Initiative

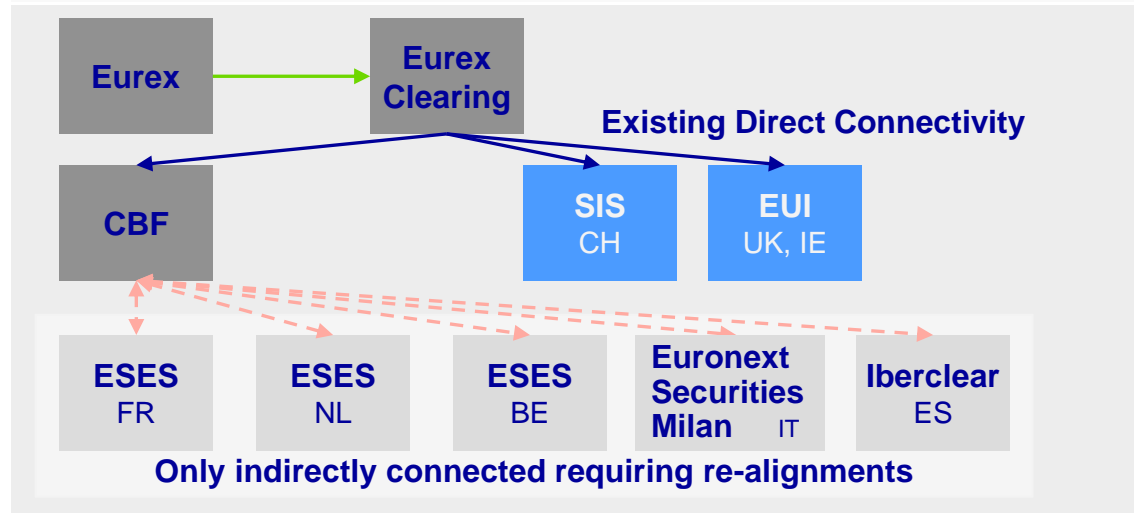


# Home Market Settlement for Eurex physical deliveries

Settlement of Choice: Extension of CSDs directly accessible by Eurex Clearing

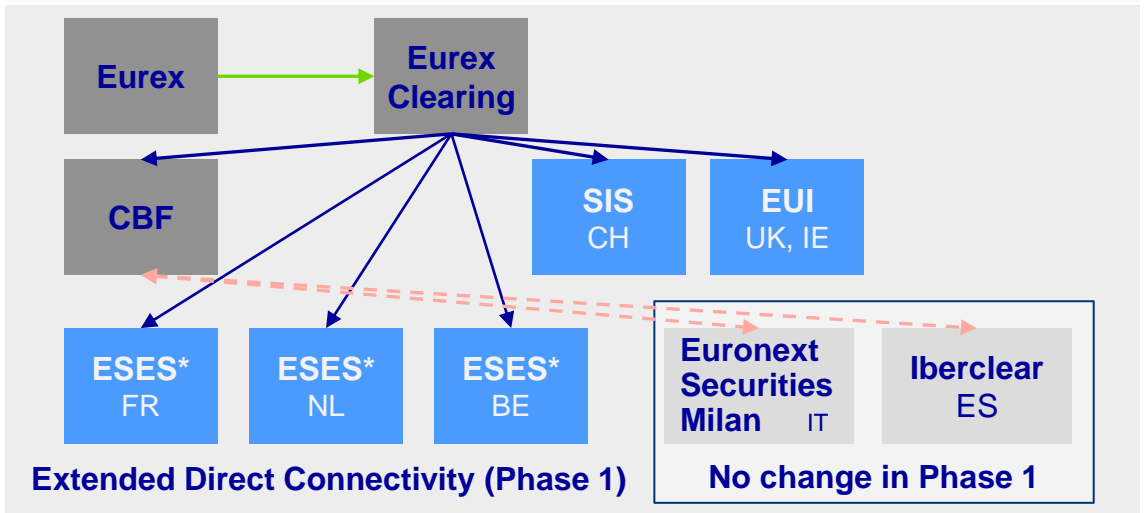
## Status Quo

- Existing direct connectivity only to CBF, SIX SIS and EUI (CREST)
- Deliveries from other CSDs can only be done indirectly by re-alignments performed by the customer.
- While hedging is mostly done on the home market, customers must keep inventory at CBF to cover exercises. This leads to inefficiencies in management of holdings, hence to additional costs and operational risks for clients.



## Home Market Settlement for Equity Derivatives (Phase 1)

- Extension of **eligible Settlement Locations** to Euroclear's CSDs (ESES France, ESES Nederland, ESES Belgium) covering the largest relevant home markets in Europe.
- Home CSD re-alignments no longer required. Securities can be held in the home market.
- Proposed extension would significantly reduce operational risks, costs and time associated with the settlement of equities across Europe for clients.



► **Production Launch of Home Market Settlement via ESES CSDs on 23. September 2024.**

← - - → = Re-alignment with CSDs by the customer → Instruction by Eurex Clearing to customer account

\* CM Leg to ESES, while Eurex Clearing Leg is sent to CBF, both instructions settle in T2S.

# Thank you!

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# OpenDay 2024



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