

Eurex - The International Derivatives Exchange

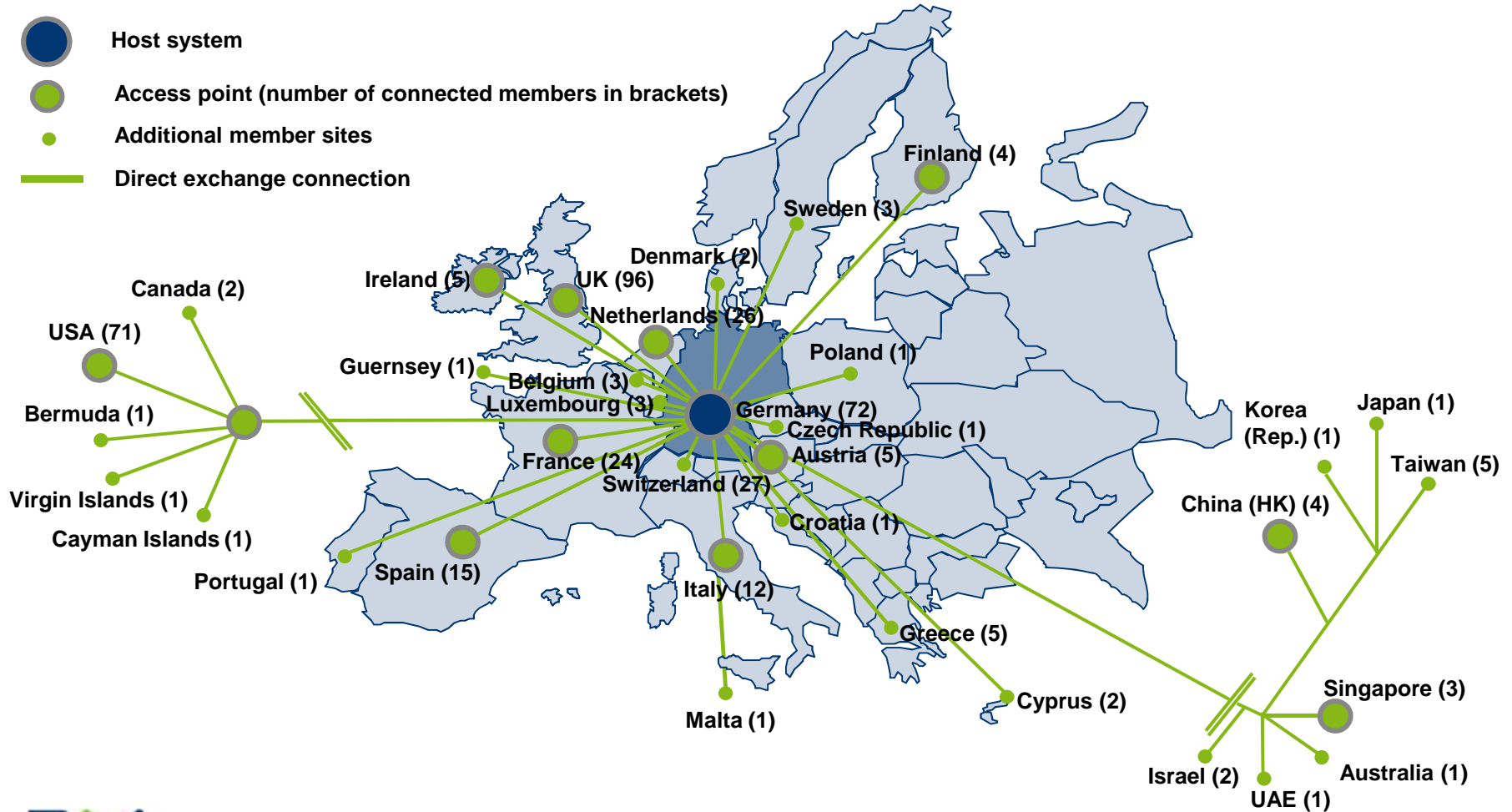
13.10.2014 University of Warsaw



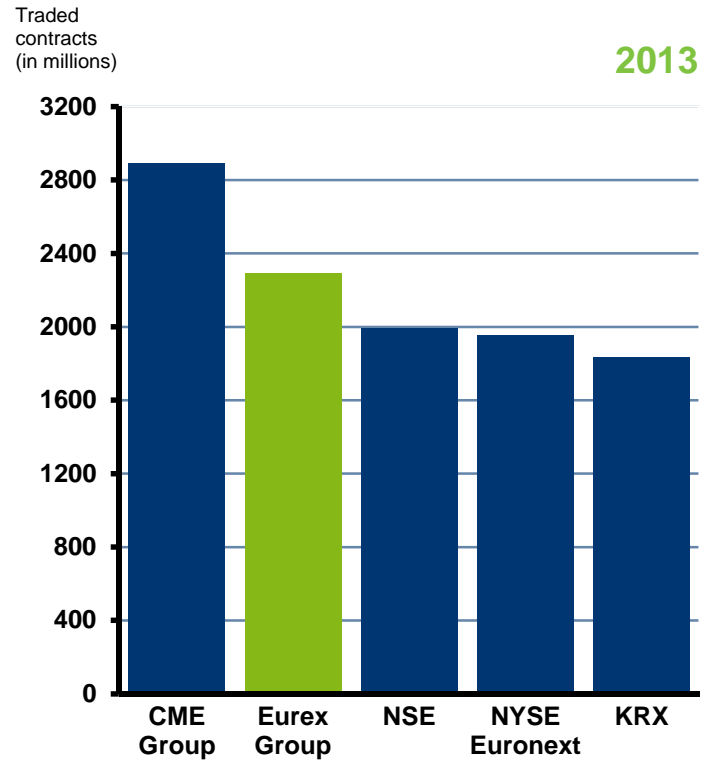
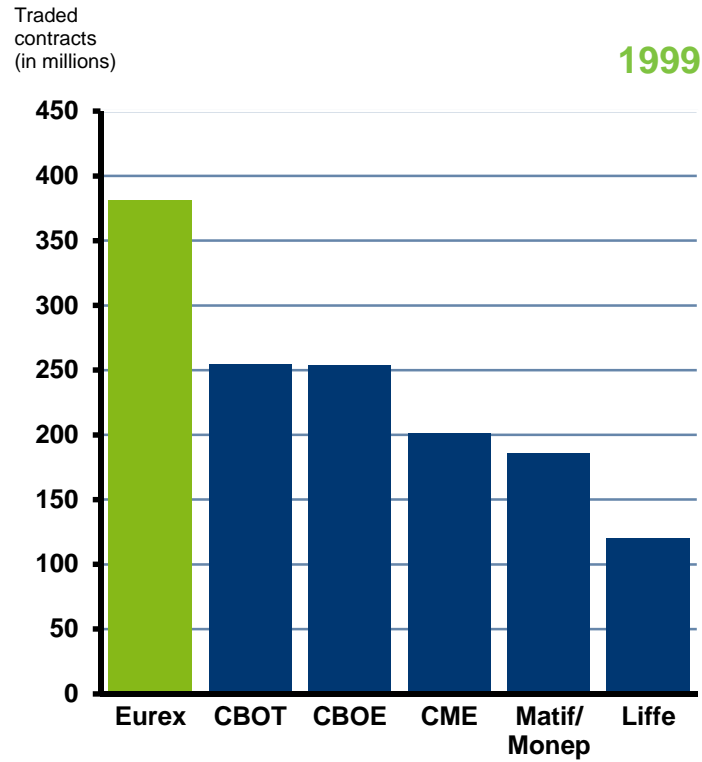
Agenda

- Eurex The Exchange
- Eurex Products
- Eurex Trader Development Programme
- Application of Academic Methodology

404 Eurex members in 35 countries 7.661 registered traders



Eurex is in the top 3 derivatives markets worldwide



Eurex Group = Eurex Exchange and ISE



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Eurex product range: A truly diversified portfolio

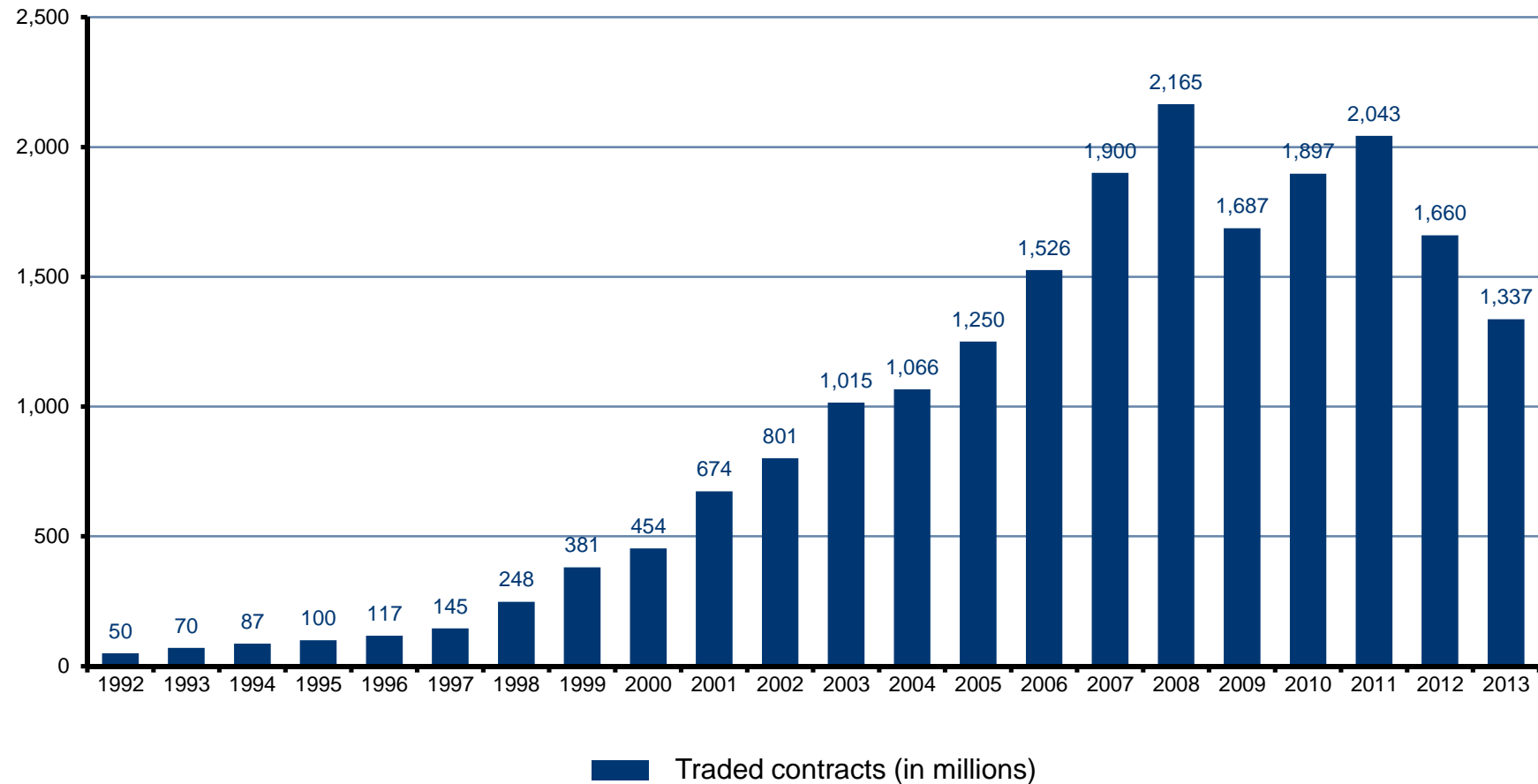
Equity Derivatives		Equity Index Derivatives (Futures* and Options)		Dividend Derivatives	ETF and ETC Derivatives		
Futures	Options						
Volatility Index Derivatives*		Interest Rate Derivatives*		Euro-Inflation Futures*			
		Fixed Income Market	Money Market				
Commodity Derivatives							
CO2 Derivatives*	Dow Jones-UBS	Precious Metal Derivatives*	Power Derivatives*	Agricultural Derivatives*	Exchange Traded Commodities Derivatives	Natural Gas Derivatives	Coal Derivatives
Weather Derivatives*			Property Derivatives*				
USA	Florida	Gulf					

*Available for trading in the U.S.

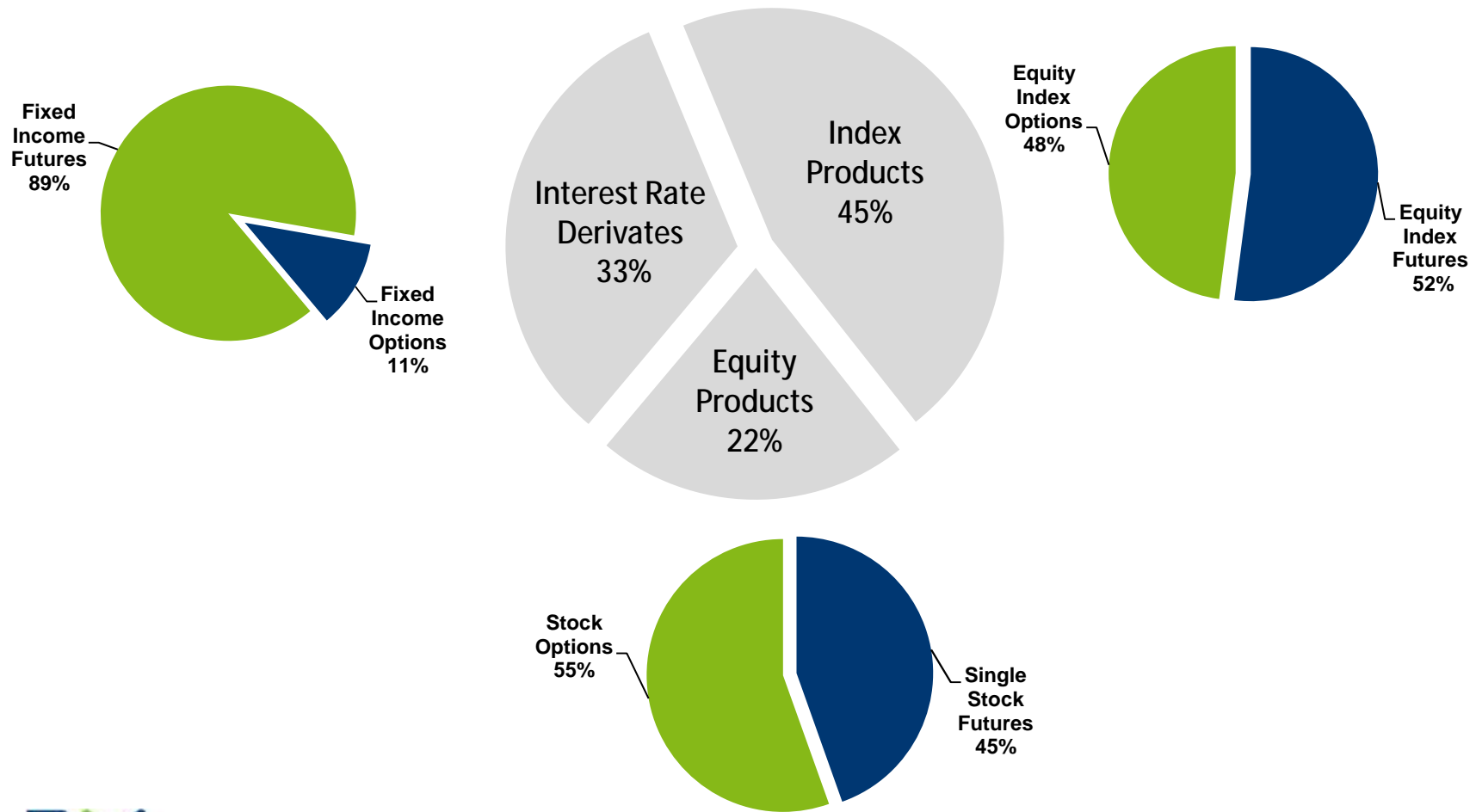
Please find the current trading hours on our website:
www.eurexchange.com > Trading > Trading Calendar > Trading Hours



Strong growth in contract volume



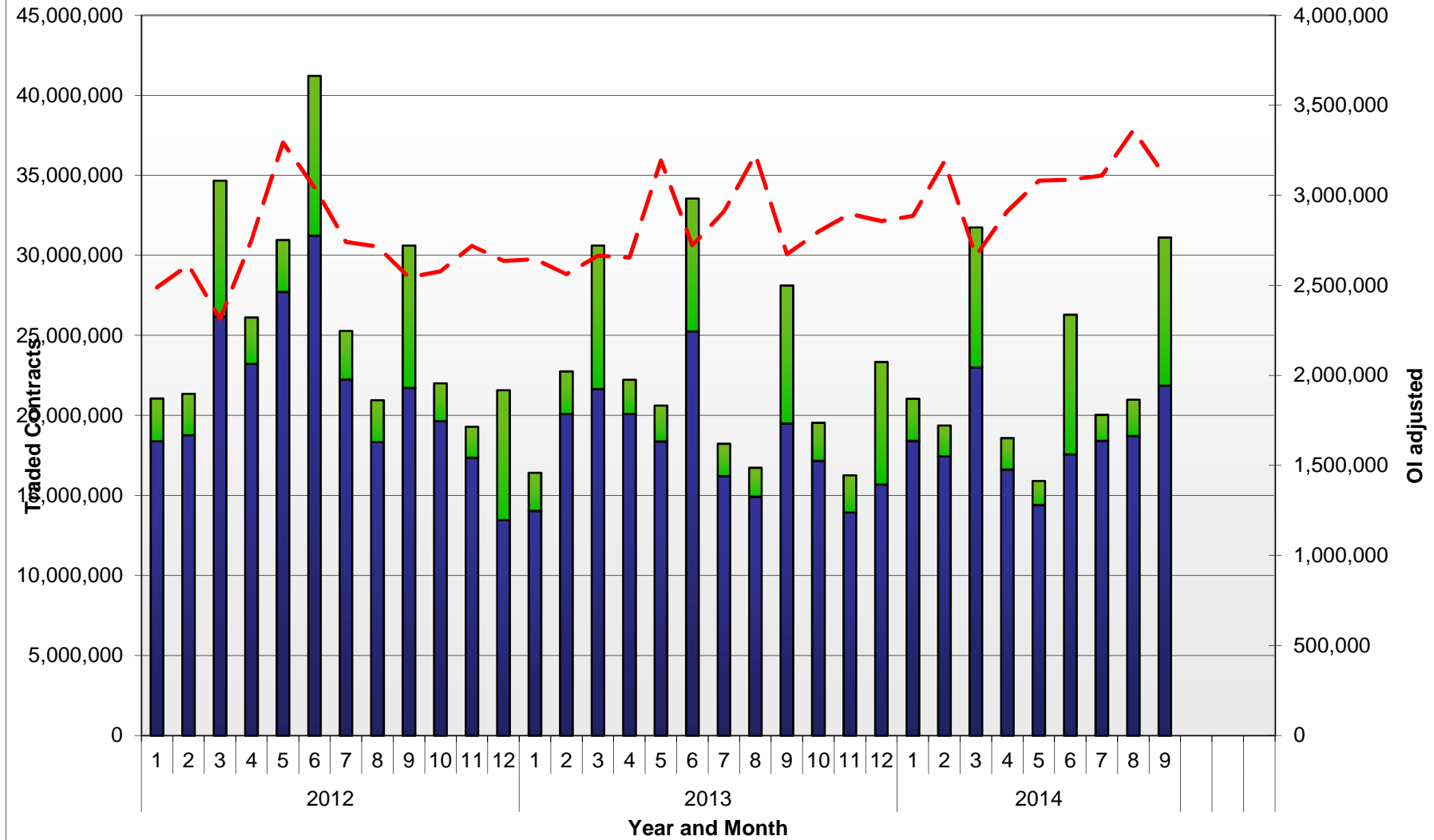
Distribution of the most traded asset classes (January – October 2014)



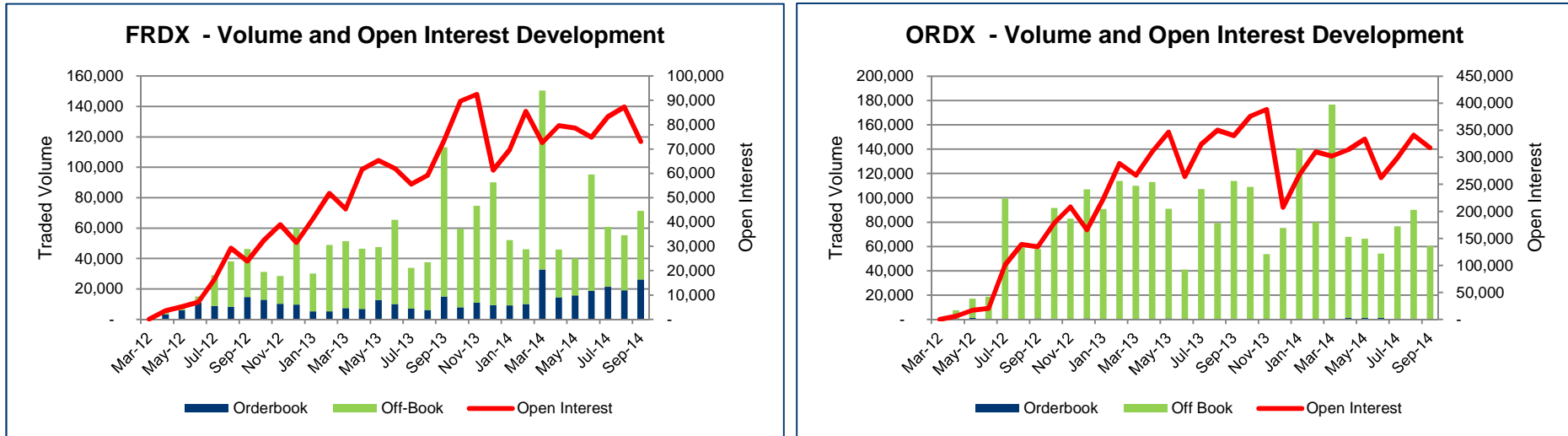


Eurostoxx 50 Futures (FESX)

Orderbook Volume OTC Trade Volume OI adjusted



Introduction - Russian Depository Index RDX® USD Index Futures & Options Volume and Open Interest Development



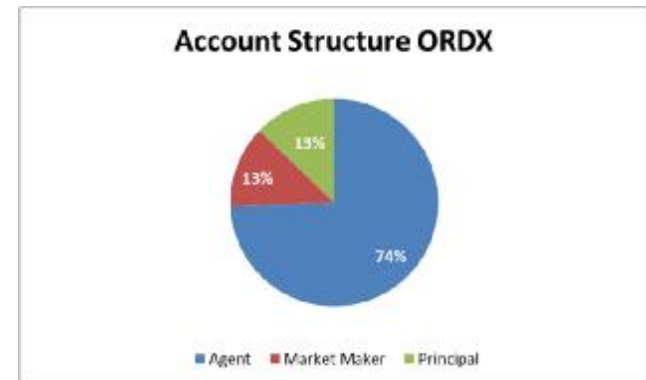
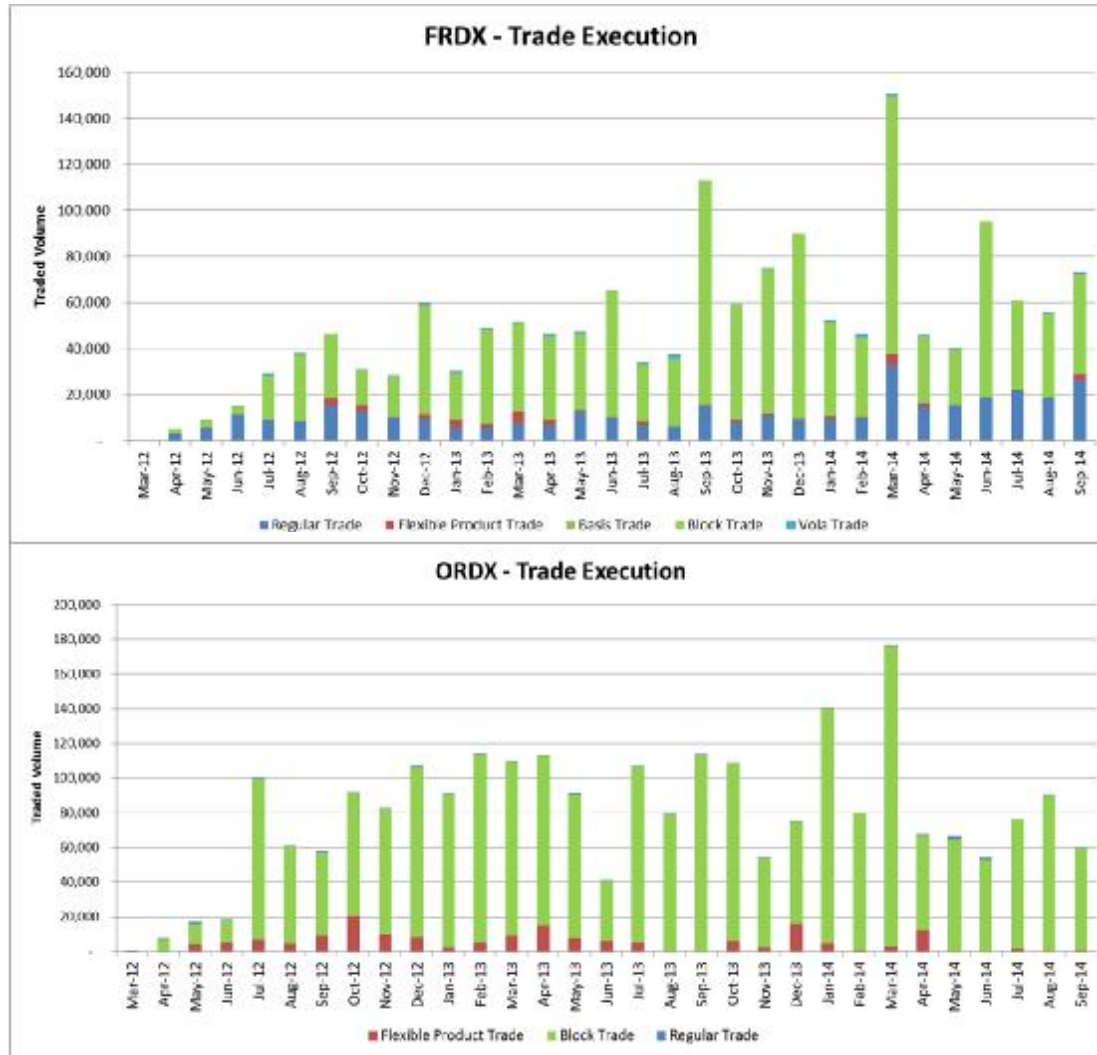
Source: Eurex Exchange

Demand for a liquid hedging instrument such as Eurex RDX® USD futures (FRDX) and options (ORDX) continues to grow. The combined RDX options and futures open interest exceeded 400,000 contracts within the first eight months of launch.

Total traded contract volume since launch is 1.58 million contracts for FRDX and 2.45 million contracts for ORDX at the end of September 2014.

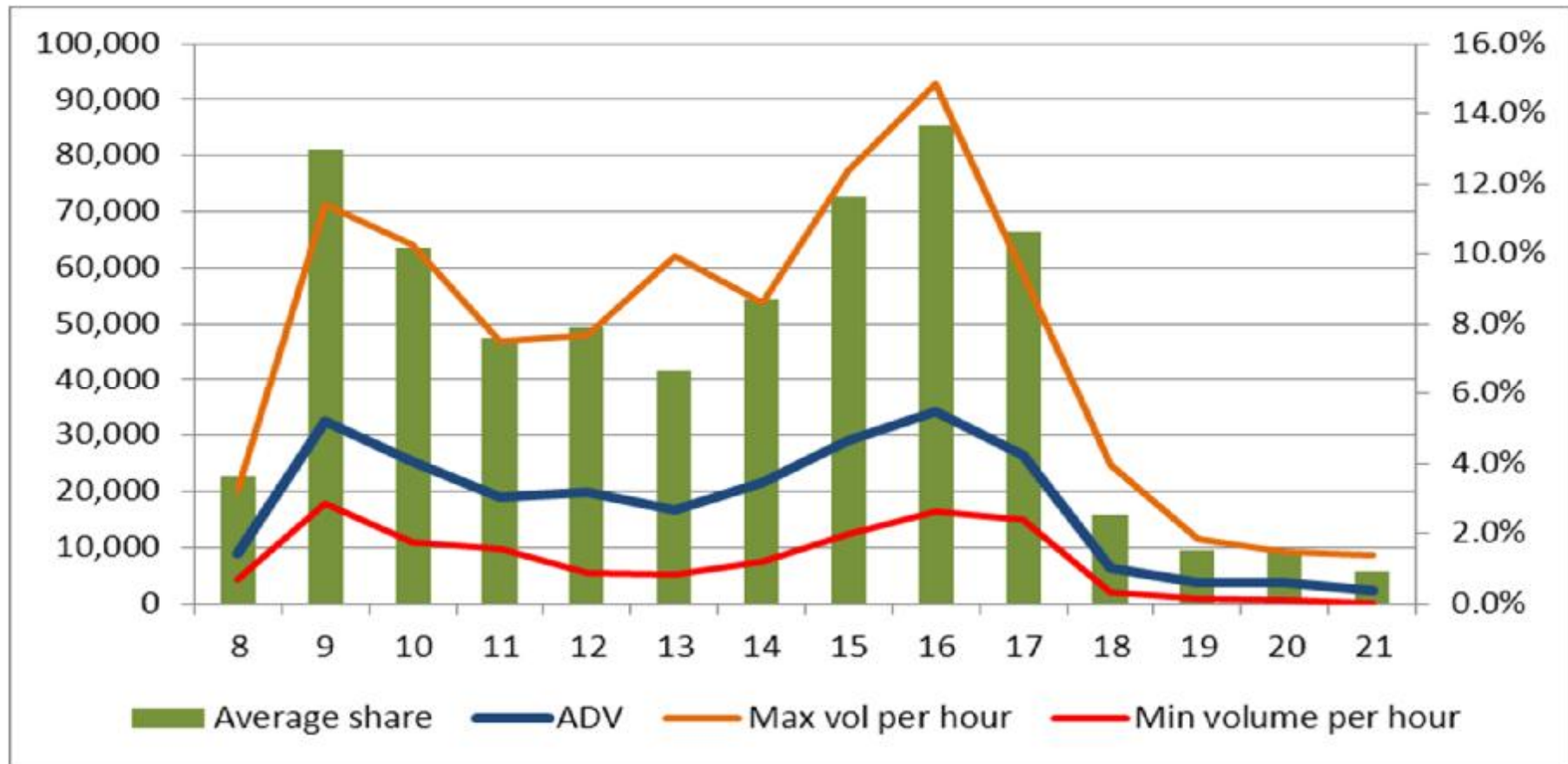


Trading statistics - RDX



DAX Futures – Trading per Hour

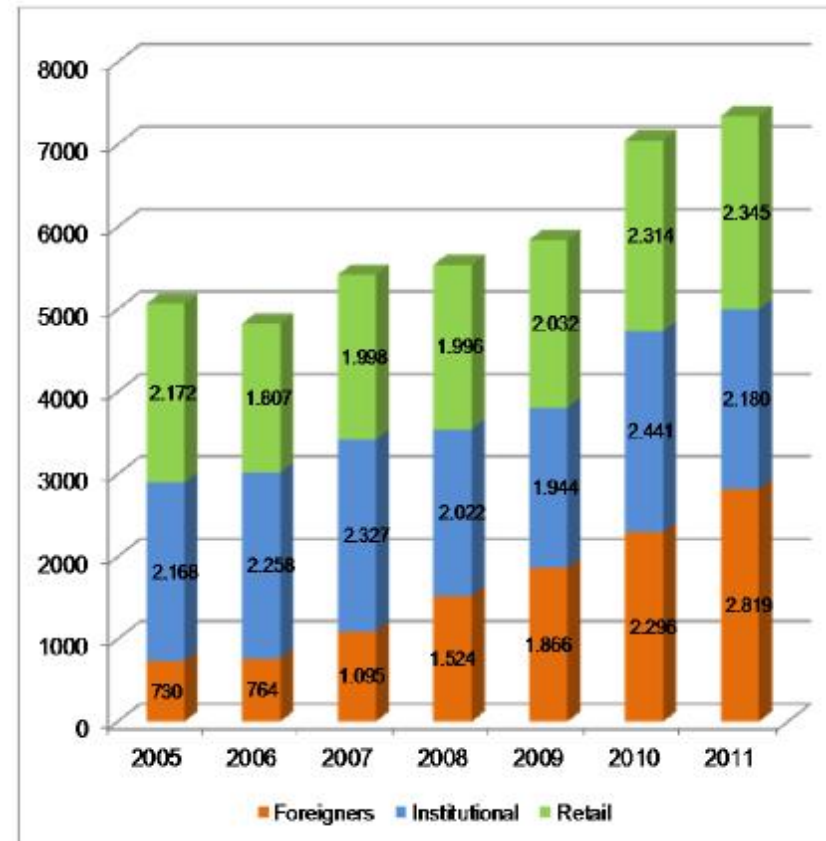
FDAX (all maturities)



Link to Korea - KOSPI 200 Options after-hours trading

Success story of the KOSPI 200 Options

- The KRX KOSPI 200 Options have been the most liquid exchange-listed derivatives contract in the world since 2005
- Average daily trading volume of KRX KOSPI 200 Options in 2014: 3.2 million contracts
- The Eurex/KRX Link extends the trading hours for Korean investors and at the same time makes it easier for international investors to access this market



Graph: KRX KOSPI 200 Options
Annual trading volumes in million contracts traded by investor categories (Source: KRX data, calculations)



Summary: KOSPI 200 Options after-hours trading

Advantages of KOSPI 200 options 24 hour trading

- KRX and Eurex have offered after-hours trading of KOSPI 200 Options at Eurex since 30 August 2010
- More than 20 million contracts have been traded in the Eurex KOSPI Product since launch.
- The Eurex KOSPI Product is set up as an options contract in the Eurex system and is listed in Korean Won (KRW).
- The position at Eurex is netted daily on a financial beneficiary basis and transferred from Eurex Clearing to KRX.

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Eurex Trader Development Programme

- **The main aspects are:**
 - The Programme is divided into three geographic regions.
 - the Americas,
 - Europe,
 - Asia, the Middle East and Africa.
 - Incentives are based on a per-trader basis.
 - The higher the total monthly turnover, the higher the rebate up to 35,000 contract a month.
- **The Programme is for proprietary business only, and permits only those traders who have not been registered with Eurex in the past. Algorithmic business is not eligible for participation.**

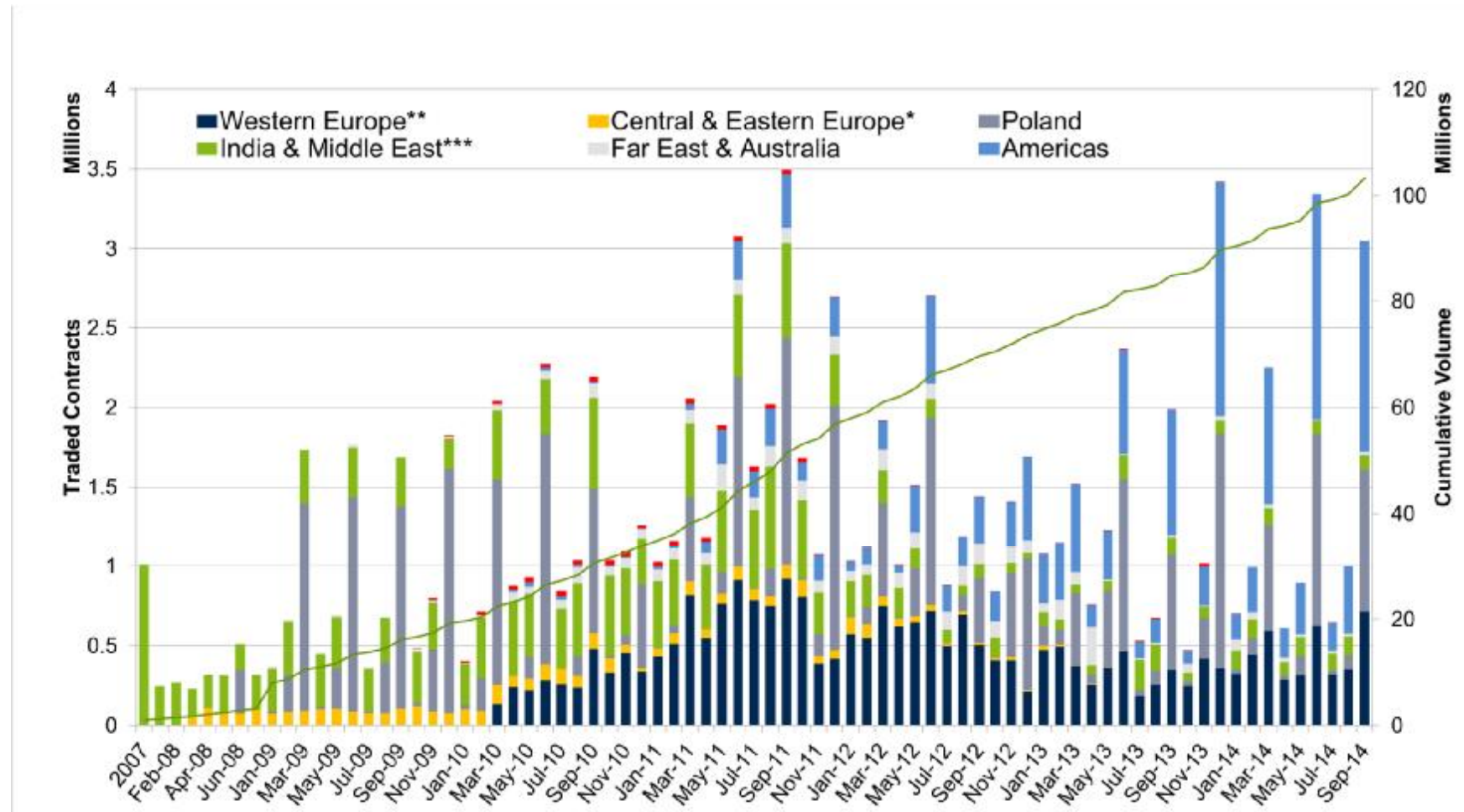
Trader Development Programme – global network

- § 30 Eurex Trader Development Programme company participants in 88 locations
- § 450 TDP registered traders in 2014
- § More than 2,165 TDP registered traders between 2007 - 2014



Trader Development Programme

A total of 103 million contracts were traded since the start of the programme



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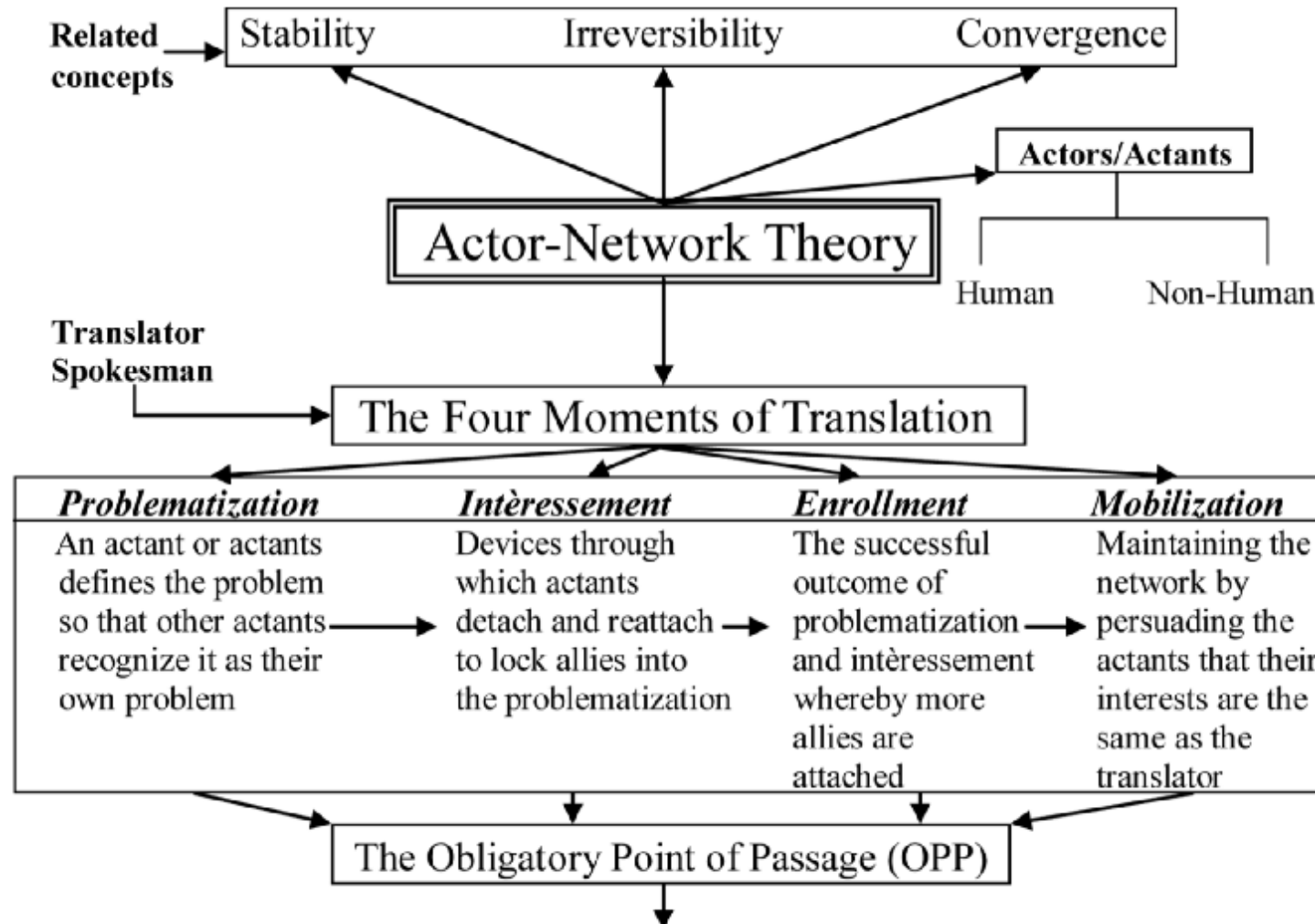
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Actor-Network Theory (ANT)

- Searching for an explanation for the social interaction between “us,” the humans and, for example, technology, the non-humans.
- Within the interaction, the actors are defined as entities that create things. Humans and non-humans. All of these components should be seen together in a network.
- Latour (1993) is convinced that nature and culture should be treated symmetrically. Nature, culture and society are constructed simultaneously. These three factors should be seen as interrelated. Callon (1998) focuses on the market to explain, as economists have done in a different context, “the coordination mechanism between humans, goods and technologies.” Conflicts of interest are resolved by transactions.
- Callon’s (1991) approach is based on the assumption that products and technology are as important as human beings in a market.
- Human and non-human elements are both actors. An actor network consists of and links together both technical and non-technical elements.
- For example conducting a trade on Eurex; the buyer or seller is hereby the non-technical element, the electronic trading system Eurex can be seen as the technical element. “Network” means the interaction between all actors, objects and subjects, that together determine our behaviour, or in this case the market.

Actor-Network Theory (ANT)

- Trading on Eurex can be seen as the matching of bid and offer prices from different actors through translation.
- Actors share the scene in the reconstruction of the network of interactions. This leads to the stabilisation of the system.



The only negotiation route for problem resolution, but it is only partial and temporary

Source: Figure: Rhodes, J. (2009), *ANT Key Concepts and Translation Moments*, Adapted from Hassard, Law, & Lee, 1999; Callon, 1991, 1999; Latour, 1987.

Thank you for your attention!

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Eurex Trader Development Program (2/5)

Specification: Europe

Countries eligible for participation	Bosnia and Herzegovina, Croatia, EU Member States, Russia, Serbia, Switzerland, Turkey.
Eligible participants	All proprietary trading business conducted at Proprietary trading firms and Arcades only. Traders who have been previously registered as Eurex traders are not eligible. Traders with more than one year experience in derivatives trading are not eligible. Automated trading business is not eligible.
Incentive period	Enrolment into the programme lasts for 12 months. Each New User will be able to receive a fee rebate for 12 calendar months beginning when he/she registers to the programme.
Minimum requirements and respective fee-rebates	<p>Tier 1: A minimum of 700 contracts per month results in fee waiver for 5,000 contracts that month.</p> <p>Tier 2: A minimum of 7,500 contracts per month results in a fee waiver for 15,000 contracts that month.</p> <p>Tier 3: A minimum of 17,500 contracts traded per month results in a fee waiver for 35,000 contracts that month.</p> <p>Note: The incentive is on a per-trader basis.</p>

Eurex Trader Development Program (3/5)

Specification: Asia, Middle East and Africa

<p>Countries eligible for participation</p>	<p>Australia, Bahrain, Bangladesh, Burma, Cambodia, China, Hong Kong, India, Indonesia, Israel, Japan, Kuwait, Laos, Malaysia, Mauritius, Mongolia, New Zealand, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, South Africa, South Korea, Taiwan, Thailand, Vietnam and the UAE.</p>
<p>Eligible participants</p>	<p>Proprietary trading business only. Traders who have been previously registered as Eurex traders are not eligible. Automated trading business is not eligible.</p>
<p>Incentive period</p>	<p>Enrolment into the programme lasts for 12 months. Each New User will be able to receive a fee rebate for 12 calendar months beginning when he/she registers to the programme.</p>
<p>Minimum requirements and respective fee-rebates</p>	<p>A minimum of 700 contracts traded per month results in fee waiver for 25,000 contracts that month.</p> <p>Note: The incentive is on a per-trader basis.</p>

Eurex Trader Development Program (4/5)

Specification: The Americas (excluding the USA)

<p>Countries eligible for participation</p>	<p>Argentina, Bahamas, Bermuda ,Bolivia, Brazil, British Virgin Islands, Canada, Cayman Islands, Chile, Colombia, Guyana (Republic of), Panama, Paraguay, Peru, Mexico, Suriname, Trinidad and Tobago, Uruguay, Venezuela.</p>
<p>Eligible participants</p>	<p>Proprietary trading business only. In Canada, only proprietary trading business taking place at proprietary trading firms is eligible. Traders who have been previously registered as Eurex traders are not eligible. Automated trading business is not eligible.</p>
<p>Incentive period</p>	<p>Enrolment into the programme lasts for 12 months. Each New User will be able to receive a fee rebate for 12 calendar months beginning when he/she registers to the programme.</p>
<p>Minimum requirements and respective fee-rebates</p>	<p>Tier 1: A minimum of 700 contracts traded per month results in fee waiver for 10,000 contracts that month. Tier 2: A minimum of 10,000 contracts traded per month results in a fee waiver for 25,000 contracts that month.</p> <p>Note: The incentive is on a per-trader basis.</p>

Eurex Trader Development Program (5/5)

Specification: USA

<p>Countries eligible for participation</p>	<p>USA</p>
<p>Eligible participants</p>	<p>Proprietary trading business conducted at proprietary trading firms only. Traders who have been previously registered as Eurex traders are not eligible. Automated trading business is not eligible.</p>
<p>Incentive period</p>	<p>Enrolment into the programme lasts for 12 months. Each New User will be able to receive a fee rebate for 12 calendar months beginning when he/she registers to the programme.</p>
<p>Minimum requirements and respective fee-rebates</p>	<p>A minimum of 700 contracts traded per month results in fee waiver for 10,000 contracts that month.</p> <p>Note: The incentive is on a per-trader basis.</p>

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