

Eurex Exchange – Turn uncertainty into opportunity



www.eurexchange.asia



Partner with one of the world's leading derivatives exchanges

Eurex Group is comprised of Eurex Exchange, Eurex Clearing, Eurex Repo, and the European Energy Exchange (EEX). Each of our four businesses is a leader and innovator in its own area. We consistently look out for growth and innovation opportunities in the areas of trading, clearing, technology and risk management.

Eurex Group is owned by Deutsche Börse AG.

Eurex Exchange is one of the leading derivatives markets in the world, with a volume of 942.9 million contracts traded in the first half of 2017. We serve close to 400 members and more than 7,100 traders in 33 countries worldwide. Building on our track record as the first-mover in electronic trading, Eurex Exchange transforms the way its customers trade. Our team is constantly improving our trading platform as well as our IT infrastructure to provide clients with efficient and flexible access to a global liquidity network.

With close to 2,200 products listed on Eurex Exchange, we cover nine asset classes. Our futures and options on EUR-denominated government bonds and derivatives on the benchmark indexes, DAX® and EURO STOXX 50®, are among the most actively traded interest rate and equity index derivatives in the world.

We are consistently working on partnerships with Asian exchanges to expand the range of Asian derivatives available on Eurex Exchange. Our successful cooperation with the Korea Exchange (KRX) allows investors to continue trading KOSPI 200 derivatives at Eurex after the close of the Korean market. In the first half of 2017, close to 100,000 KOSPI 200 Options contracts¹ have been traded on a daily average on Eurex. With the introduction of Eurex Mini KOSPI Futures on 28 November 2016, we extended the product offering on the Eurex/KRX Link, making both KOSPI 200 Options and Mini KOSPI 200 Futures available on the Eurex platform.

¹ Note the contract size adjustments made to the KOSPI 200 derivatives on 27 March 2017. Visit our webpage <http://www.eurexchange.asia/kospi> to find out more.

Eurex Clearing serves around 200 Clearing Members in 19 countries, managing a collateral pool of EUR 49 billion and processing a gross risk valued at almost EUR 11 trillion every month.

Eurex Repo is the leading provider for international financing in the secured money market business. Its highly liquid marketplace combines state-of-the-art electronic trading, with the efficiency and safety of clearing, as well as standardized collateral management and settlement for secured funding and financing transactions.

Deutsche Börse and Eurex operate 13 access points in major international financial centers around the world, offering Eurex member firms direct, high-speed and cost-effective network access to Eurex's highly liquid trading platform. Our access points in Hong Kong and Singapore enable our participants to obtain connections of up to 80 Mbit/s. At Eurex, we offer T7 Entry Services, which enable trading participants to enter off-book transactions into the Eurex system. Trading participants can also benefit from the flexibility of customized trading and the advantages of standardized clearing and settlement through Eurex.

Global opportunities through extended coverage

Eurex provides an extensive range of products, including some of the world's most heavily traded derivative contracts. Our aim is simple – to make trading, hedging and risk management easier for anyone with exposure to the financial markets.

EURO STOXX 50®

The EURO STOXX 50® Index is composed of 50 large cap companies from twelve Eurozone countries. With a combined average daily trading volume of 1.2 million contracts in the first half of 2017, the Futures and Options on EURO STOXX 50® are among the most heavily traded products at Eurex Exchange. Constituents include renowned companies such as Siemens, LVMH and Unilever. Eurex launched the USD-denominated EURO STOXX 50® Quanto Futures in March 2016 for market participants to separate underlying index performance from FX risk.

DAX®

DAX® is Deutsche Börse's blue chip index for the German stock market – one of the biggest stock markets in Europe. The DAX® is an attractive underlying for derivatives. It comprises the 30 largest and most actively traded German companies, such as Daimler, BMW, Volkswagen, Allianz and Lufthansa. In October 2015, Eurex introduced a smaller and retail-suited version of the DAX® – Mini-DAX® Futures. This contract creates further

opportunities for market participants to trade the German index. During the first half of 2017, close to 6 million Mini-DAX® Futures contracts have been traded on Eurex.

MSCI Products

Trading listed futures and options on MSCI indexes allows traders all over the world to track the performance of their portfolio benchmarks while complying with the latest global OTC market regulations. Liquid order book and off-book trading, various trading functionalities such as Trade At Index Close², Flexible Contracts³ or Multilateral and Brokerage Functionality⁴, as well as state-of-the-art risk and clearing technology offer traders new opportunities to trade, hedge and clear positions while efficiently managing collateral requirements and minimizing counterparty risk.

Eurex broadened its MSCI portfolio suite to offer investors the widest coverage of MSCI products. Currently, Eurex offers over 100 MSCI Futures and Options that cover developed, emerging and frontier markets.

² **Trade At Index Close:** This order type supports the entry of off-book trades in equity index futures based on the combination of the last available index closing price plus basis.

³ **Flex contracts:** Adjusting parameters of the standard contract e.g. the expiry date to any Eurex trading day.

⁴ **Multilateral and Brokerage Functionality:** Multilateral functionality provides an efficient way for registration of order information for Block Trades with several counterparties (e.g. one buyer vs. three sellers), instead of entering order information for separate bilateral Block Trades. Brokerage functionality can be used by brokers to book trades directly into the account of the beneficiary member without being part of the trade.

Asian underlying MSCI derivatives

MSCI AC Asia	MSCI Kokusai
MSCI AC Asia ex Japan	MSCI Malaysia
MSCI AC Asia Pacific	MSCI New Zealand
MSCI AC Asia Pacific ex Japan	MSCI Taiwan
MSCI AC ASEAN	MSCI Thailand
MSCI Australia	MSCI Singapore
MSCI China Free	MSCI Pacific
MSCI Emerging Market Asia	MSCI Pacific ex Japan
MSCI Hong Kong	MSCI Pakistan
MSCI India	MSCI Philippines
MSCI Indonesia	MSCI Qatar
MSCI Japan	MSCI UAE

Eurex KOSPI Options and Eurex Mini KOSPI Futures

The Eurex/KRX Link gives Eurex Members direct access to KOSPI derivatives, one of the world's most heavily traded index derivatives, with constituents like Samsung, Hyundai and Korean Air. This product cooperation between KRX and Eurex enables market participants to trade KOSPI 200 Options and Mini KOSPI 200 Futures during core European and U.S. trading hours. Following the offering of after-hours trading, the ADV for KOSPI 200 Options reached 99,646 in the first half of 2017.⁵

⁵ Note the contract size adjustments made to the KOSPI 200 derivatives on 27 March 2017. Visit our webpage <http://www.eurexchange.asia/kospi> to find out more.

Volatility Derivatives

Futures and options on the VSTOXX®, an index based on the implied volatility derived from the EURO STOXX 50® Index Options, offer the most accurate and cost-effective way to take a view on European volatility. The VSTOXX® Index features a negative correlation to the EURO STOXX 50® on a long-term basis. Because of this correlation, the VSTOXX® tends to move to the upside when all other asset classes are in decline, providing investors the ability to mitigate their risk during periods of market stress. Amidst the uncertain geopolitical landscape in 2017, VSTOXX® volumes in the first half of 2017 increased by 87.7% on a year-on-year comparison, as market participants use the index to diversify their portfolio, hedge their exposure or capitalize on broad market volatility.

Dividend Derivatives

At Eurex Exchange, one can trade the dividends of either single stocks or complete stock indexes. We first introduced EURO STOXX 50® Index Dividend Futures in 2008, and they provide the on-exchange possibility to trade the separated dividend stream on a stand-alone basis. Since then, we have continuously expanded our product portfolio, including index-based dividend futures as well as single stock dividend futures in 2010. We now offer dividend futures on over 80 of the largest Eurozone and pan-European companies.

Stay ahead of the curve and uncertainty

Fixed Income Derivatives

At Eurex, an investor can trade the European yield curve with one of the world's most heavily traded derivatives exchanges. An average daily volume of close to 2.5 million fixed income derivative contracts were traded at Eurex in the first half of 2017. Our Bund, Bobl, Schatz and Buxl® contracts enable investors to manage interest rate risk and serve as a standard benchmark when comparing and evaluating interest rates in Europe. Apart from the German government bonds, we also offer CONF Futures (derivatives on Swiss government bonds), OAT Futures and Options (derivatives on French government bonds) and BTP Futures (derivatives on Italian government bonds) to our market participants. In October 2015, we also launched BONO Futures (derivatives on Spanish government bonds) to complement our fixed income derivatives offering.

Due to the positive development and high open interest in Long-Term Euro-BTP Futures, Eurex introduced options contracts on Euro-BTP Futures with effect from 2 October 2017. With the Options on Euro-BTP Futures, market participants will benefit from an efficient and cost-effective instrument that extends hedging and trading opportunities to Italian rate volatility.

Corporate Bond Index Futures

In September 2017, Eurex introduced a new asset class – EURO STOXX 50® Corporate Bond Index Futures. This is the first listed futures with Eurozone corporate bonds as underlying, which provides both buy and sell side an innovative tool to hedge or replicate the interest rate and credit risk of the core Eurozone. It also offers spreading opportunities against Government debt futures and EURO STOXX 50® equity index futures.

The Corporate Bond Index Futures is a cash settled index futures with a quarterly expiry and the unique advantages of an exchange traded, straight-through processed and centrally cleared product. As it has the structure of a standard Eurex index futures, it can be easily added to customers' existing infrastructure.

FX Derivatives

Our FX Futures and Options are available on 12 major currency pairs. They combine best-practice OTC market conventions with the transparency and minimized risk of exchange-traded, centrally cleared derivatives. FX Futures and Options are fully integrated into Eurex Clearing Prisma, our portfolio-based margining approach. Furthermore, the Deutsche Börse Group FX strategy embraces both the cleared and uncleared FX-market, allowing clients whether driven by regulatory compliance or just seeking optimal FX-portfolio performance, to exploit the capabilities of both Eurex and 360T to choose the right FX-liquidity, execution, and clearing for each trade.

Join the liquidity – direct participation at Eurex Exchange

Financial institutions from Australia, Hong Kong, Singapore, South Korea, Taiwan and the UAE can become direct Eurex Exchange participants. Investors from other Asian countries can – depending on local financial market regulations – trade Eurex products via international intermediaries.

Becoming a Eurex Trading Participant does not entail any admission or participation fees. Our Incentive Program makes trading at Eurex even more beneficial. It offers two incentive components designed to reduce both trading and connectivity costs for newly admitted participants. The first component consists of a monthly fee waiver of up to EUR 3,000 for trading and connection fees, and the second component offers an additional monthly high-volume transaction fee-waiver of up to EUR 1,500 for the first 12 months.

Eurex members may also benefit from additional volume rebates, depending on their monthly proprietary trading volumes. Eurex offers up to 35%⁶ transaction fee rebates on equity index and interest rate futures and up to 90%⁶ transaction fee rebates on equity, equity index and interest rate derivatives options once the relevant volume threshold has been reached. Further details are available on www.eurexchange.com > **Trading > Transaction fees.**

In addition, our Trader Development Program incentivizes new traders from Asia who qualify for the program, allowing them to benefit from exchange fee rebates as well as educational support.

Take advantage of our incentive schemes by contacting one of our representatives in Asia. Full details are available on www.eurexchange.asia > **Contacts in Asia.**

⁶ As of November 2017

Innovative clearing and risk management concepts

Eurex Clearing, one of the leading clearing houses in the world, acts as a central counterparty (CCP) for exchange traded and OTC transactions. This means that counterparty risk is mitigated for both contractual partners – whether the contracts are traded on-exchange or off-exchange.

Eurex Clearing offers portfolio margining across all Eurex equity-based products including benchmarks such as MSCI World and MSCI Europe off-setting with DAX® and EURO STOXX 50® Index contracts, delivering significant margin efficiencies.

Eurex Clearing segregation model

As a CCP authorized under EMIR, we offer both omnibus and individual segregation to our Clearing Members and clients. Since the launch of our client clearing models, we have worked with Clearing Members and clients to ensure that each segregation model is as efficient as possible in terms of capital costs, margin eligibility and collateral management, whilst offering clients the flexibility to determine how their positions and collateral are segregated. In the event of a default, we continue to provide the broadest range of porting options.

Portfolio margining approach

Prisma, our portfolio-based approach risk methodology for calculating margin for both listed and over-the-counter derivatives, is the next generation

of risk management. Eurex Clearing Prisma builds on current best practices in risk management and is significantly more accurate in estimating risks than previous methods. As a result, the new method offers greater capital efficiency for clearing house members and their customers as well as better risk protection.

EurexOTC Clear

We have worked closely with both the buy and sell side to design an offering that truly meets the needs of the market. As a result, we provide the perfect basis for your OTC business, where highest safety and efficiency are key factors – and differentiate us from other CCPs. EurexOTC Clear offers a strong holistic solution in terms of product coverage, Client Asset Protection, capital efficiency and ancillary services by leveraging the existing Eurex Clearing infrastructure.

Eurex OTC Clearing encompasses interest rate swaps in EUR, USD, GBP, JPY, CHF, SEK, NOK, DKK and PLN.

To further accelerate the development of a liquid, EU-based alternative for the clearing of interest rate swaps, Eurex Clearing introduced a new partnership program to benefit clients and the broader market place through greater choice and competition, improved price transparency as well as reduced concentration risk. This program is now open for registration to all Clearing Members and Registered Clients of Eurex Clearing.

Contact our sales representatives for further information on our partnership program for clearing of interest rate swaps. **Contact details** are listed on page 17 of the brochure.

Introducing the European markets to Asian clients

With its “Asia Training & Education Initiative” Eurex trains investment professionals of the member firms, staff members of financial institutions as well as young academics to enhance their knowledge and expertise via webinars, seminars, practical lab sessions, and trading competitions. It covers China, Hong Kong, Taiwan, Singapore, India, Japan, UAE, South Korea, Australia and Malaysia and offers courses on the European markets as well as futures and options trading.

Special emphasis is put on cooperations with educational institutes and associations. This includes cooperations with leading universities and associations in the region, e.g. the Singapore Management University (SMU), the National Taiwan University (NTU), the Securities & Futures Institute (SFI) Taiwan, the Chinese University of Hong Kong (CUHK), the SP Jain Institute of Management and Research (SPJIMR) India, the China Futures Association (CFA), the Chinese National Futures Association (CNFA), the Korea Financial Investment Association (KOFIA), and the Fudan University. More than 20,000 participants have taken part in these trainings so far.

Further information

For the latest updates on Eurex products and services please follow us on Twitter @EurexGroup and LinkedIn Eurex Asia Trader Club. Download the Eurex App from www.eurexchange.com/app.

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