

# 24-hour trading and clearing of KOSPI 200 Options

As of August 30, 2010, KRX and Eurex Exchange offer after-hours trading of KOSPI 200 Options at Eurex Exchange. The trading of the world's most liquid equity index options contract has been expanded to the European time zone, enabling international investors and traders to participate in the KOSPI 200 Options market during core European and North American trading hours.

KOSPI 200 Options are based on KRX's index, the KOSPI 200, a market capitalization weighted index that consists of 200 blue chip stocks listed on the KRX stock market. The index represents the benchmark indicator of the Korean capital market.

To provide market participants with an after-hours trading session, Eurex lists daily futures on the KOSPI 200 Options ("Eurex KOSPI Product"). These contracts are available to Eurex members and their customers on the Eurex platform<sup>1</sup>. At the end of the Eurex trading session, variation margin is paid or received in Korean Won and positions, netted on a financial beneficiary basis, are transferred from Eurex Clearing to KRX. KRX then transfers this information to the respective KRX member for entry of the corresponding KOSPI 200 Options into the KRX system via the OTC block trading functionality prior to its market opening.

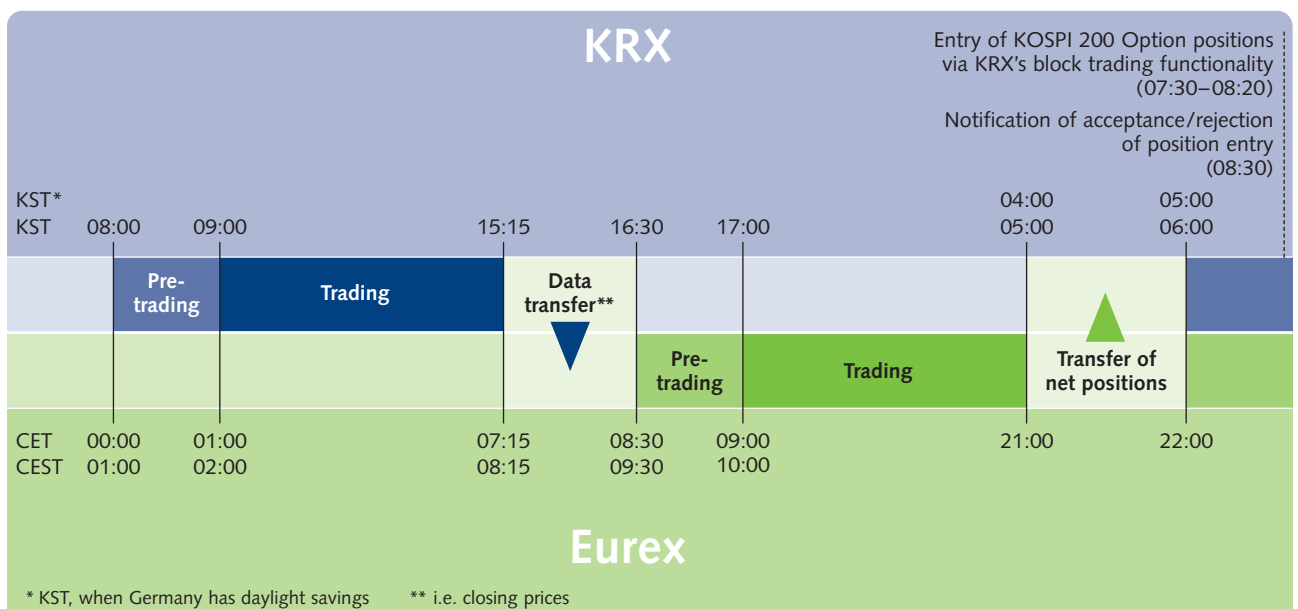
Therefore, all open interest in KOSPI 200 Options is consolidated at KRX.

### KRX and Eurex successfully extend the global reach of KOSPI 200 Options

Since the launch of the Eurex KOSPI Product, the liquidity of KOSPI 200 Options, the most heavily traded exchange-listed options contract world-wide, has further increased. The after-hours trading on Eurex enables the market to react to overnight market movements. As of December 2011, more than 20,000,000 contracts were traded, Market Makers are continuously providing liquidity, and 21 Eurex and KRX members are active in the Eurex/KRX Link.

Average daily volume has been increasing steadily, reaching more than 70,000 contracts in December 2011. To view current prices and volumes, please visit the Eurex website at [www.eurexchange.com](http://www.eurexchange.com) >Trading > Products > Equity Index Derivatives > KOSPI > Prices/Quotes.

### KOSPI 200 Options 24-hour trading cycle



<sup>1</sup> The Eurex KOSPI Product is not available to Eurex members in the USA and Taiwan.

**Eurex Exchange** is one of the world's leading derivatives exchanges offering global electronic access to a broad range of international benchmark products and the most liquid fixed income markets. Following the acquisition of International Securities Exchange (ISE), one of the largest equity options exchanges, Eurex and ISE together are the global market leaders in individual equity and equity index derivatives. Exchange members currently trade more than 10 million contracts on a daily basis.

**Eurex Clearing**, Europe's leading clearing house, offers fully automated and straight-through post trade services combined with an industry-leading risk management.

**Korea Exchange Inc. (KRX)** is the main operator of the cash and derivatives market in Korea and is also responsible for clearing and settlement facilities in those respective markets.

KRX clears and settles all transactions on its markets as a one-stop service. As a leading derivatives exchange, KRX offers diverse product groups including individual equities, stock index, bond/interest rate, foreign currency, and commodities derivatives.

### Contract specifications

The Eurex KOSPI Product is set up and traded in the Eurex® system as an option, therefore mirroring the contract specifications of KOSPI 200 Options on KRX. It is legally a futures contract which expires daily into a KOSPI 200 Option position at KRX prior to the market opening at KRX.

For detailed information about the contract specifications for KOSPI 200 Options on KRX, please visit the KRX website at <http://eng.krx.co.kr> > **Derivatives > Options > KOSPI 200 Options**.

<b>Underlying</b>	The relevant option series of KOSPI 200 Options listed at KRX. This is determined by its option class (call or put), maturity and strike.
<b>Contract size</b>	One KOSPI 200 Option contract of the relevant series.
<b>Price quotation</b>	In points, with two decimal places.
<b>Minimum price movement</b>	0.05 points (KRW 5,000) when price is quoted at or above 3 points. 0.01 points (KRW 1,000) when price is quoted below 3 points.
<b>Contract term</b>	One trading day.
<b>Settlement</b>	Variation margin on Eurex and physical delivery via position establishment in KOSPI 200 Options on the following trading day on KRX prior to its market opening.
<b>Daily/Final Settlement Price</b>	Equal to the daily settlement price for KOSPI 200 Options in the previous trading session of the same trading day on KRX. The cash flow resulting from the variation margin will be paid/received in KRW at a correspondent bank account in Korea.
<b>Last Trading Day</b>	Every day if it is a trading day both at Eurex and KRX.
<b>Trading hours</b>	09:00*–21:00 CET.

\* 10:00 CET during daylight savings in Europe

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