

EEX introduces T7 release 8.0 on 18th November 2019

Dear trading participant,

EEX will update its Derivatives Trading System Eurex T7 to version 8.0 on 18th November 2019, in line with the Eurex Exchanges' release cycle. In the framework of the release, interface changes will take place and technical enhancements are introduced which are described in more detail in the Eurex system documentation.

EEX will ensure the compatibility of the supported trading frontends Trayport Joule© and EEX TT Screen.

Introduction of Pre Trade Risk Limits and decommissioning of Member Transaction Size Limits

In the framework of the step by step decommissioning of the Eurex classic clearing system, the Transaction Size Limit functionality, which offered the possibility for clearing members (CM) to set a maximum quantity per product and single order/ trade registration for their non-clearing members (NCM) is not available anymore from 18th November 2019 on.

The functionality for trading participants to set maximum order and trade registration limits for their individual traders within T7 remains unchanged.

EEX will offer a new functionality within the T7 trading system called Pre Trade Risk Limits to ECC clearing and EEX trading participants. Unlike a limit per transaction (order or trade registration) the Pre Trade Risk functionality will offer the possibility to set a net position limit per day. This is maintained on a product level (e.g. Phelix DE Base Year Future, French Base Quarter Future etc.), separately for on exchange and trade registration as well as for buy and sell side. Open orders and unapproved trade registrations are considered.

For on exchange business, the following current values are calculated:

- current buy side value = daily net long position (on exchange) + quantity of open buy orders
- current sell side value = daily net short position (on exchange) + quantity of open sell orders

For trade registration business, the following current values are calculated:

- current buy side value = daily net long position (trade registration) + quantity of open buy trade registrations
- current sell side value = daily net short position (trade registration) + quantity of open sell trade registrations

If the sum of a newly incoming order or trade registration and those current values would exceed the configured limit, the new order/ trade registration will be rejected. As mentioned, the limits and values are considered on product level.

Example: All German calendar years belong to one product (DEBY), that means that a buy trade of 5 lot in DEBY cal20 is offset by a sell trade of 5 lot in DEBY cal21. Open orders instead do not offset each other or a opposed position. For example, 5 lot buy and a 5 lot sell orders in DEBY cal20 would both count into their respective current value.

In particular, this is relevant for trading participants that usually have a lot of orders active as well as their clearing member when maintaining Pre Trade Risk Limits. Furthermore, please note that those Pre Trade Risk Limits are valid on a daily basis and reset overnight. If a trading participant is limited at 100 lot long for on exchange trading in DEBY cal20 and fully makes use of that limit at one day, this participant can again trade 100 lot long in DEBY cal20 the next day. In this context please note that a too tight daily limit might prevent larger historic positions from being closed, if this required.

Pre Trade Risk Limits can be maintained intraday with immediate effect. A Clearing Member can access this functionality within the newly introduced T7 Clearer GUI. Clearing Participants with an existing technical access to any other T7 GUI will automatically gain access to the clearer GUI. Clearing Participants without access to T7 can order the T7 Clearer GUI without additional cost. In any case a dedicated user must be ordered to gain access to the functionality. Respective forms will be made available on the EEX website in due time.

To ensure a sufficient lead time for maintaining the Limits before Transaction Size Limits are decommissioned, Pre Trade Limits will be available from 21st October onwards in production environment.

All other Pre and Post Trade risk functionalities offered by ECC are not affected by the introduction of Pre Trade Risk Limits. In general, the usage of this functionality is optional. Technical restrictions connected with this functionality will only apply if limits are set proactively by the trading participant.

T7 version 8 is available for simulation already. For further details, please see the T7 simulation calendar.

Report Changes

Report TE540 (Order maintenance) will incorporate an new field `sideLiquidityInd` to indicate whether an order was passively or aggressively executed. Further changes and details are published in the Eurex release notes.

Yours sincerely,

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