



# What's Next For European Equities EURO STOXX & DAX Strategies Post-COVID

by Tariq Dennison, +852 9476 2868

© 2020 GFM Group Limited, <https://gfmasset.com>

Image credit: <https://commons.wikimedia.org/wiki/File:New-series-euro.jpg>

# Disclaimer

This presentation is for educational and discussion purposes only. **Nothing in this presentation is to be taken as investment advice**, nor as any recommendation to buy or sell any security or investment property or product. Please consult with GFM or your own investment advisors 1-on-1 before making any investment decisions.

**GFM does NOT provide any tax or legal advice.** Tax strategies in this presentation are based on our experience and believed to be current, but please consult with your own tax advisor for tax advice specific to your situation. GFM Group Limited is an SFC Type 9 Licensed Asset Management firm and is not affiliated with any exchange, brokerage firm, or custodian, including the co-presenters of this seminar. GFM Asset Management LLC, an affiliated company, is a US SEC Registered Investment Advisor.

Investing involves risks, including the risk that you may lose some or all the money you invest.

**GFM is not affiliated with Interactive Brokers LLC, nor with Eurex, nor any other FINRA broker-dealer**





## Disclaimer by Eurex

This document and presentation (hereinafter “Presentation”) have not been prepared by Eurex Frankfurt AG, Mergenthaler Allee 61, 65760 Eschborn, Germany, any of its Affiliates, or any of its or heir officers, directors, employees and representatives (hereinafter individually and collectively referred to as “Eurex”).

Eurex has neither verified the Presentation and its content, nor does Eurex endorse the Presentation and its content. Eurex shall thus not be liable for the presentation, its contents and any views expressed therein, including for direct, indirect and consequential damages and losses of any kind. Information contained in the presentation may be erroneous and incomplete and outdated. Eurex does not make, and disclaims, any warranty guarantee or representation of any kind, express, or implied, in respect to the Presentation, including without limitations its content, views expressed therein, methodology, figures, historical facts, or deductions presented in the Presentation. Use of the Presentation and any of its content, and reliance thereupon is at your sole risk. The same applies to any statements made by the presenters.

Eurex is not affiliated with Interactive Brokers, or GFM Asset Management Group.

# About Tariq Dennison TEP CFP<sup>CM</sup>

- Hong Kong & US Advisor on the IBKR platform
  - US Advisor: GFM Asset Management LLC
  - HK Advisor: GFM Group Limited
- In the market since 1998
  - Commerzbank (NY, London, Frankfurt)
  - Bear Stearns (NY)
  - J.P. Morgan (NY)
  - Canadian Imperial Bank of Commerce
  - Societe Generale (HK)
- Masters in Financial Engineering
  - University of California at Berkeley
- Lecturer at ESSEC Singapore
  - Fixed Income
  - Alternative Assets
- Focus on US-Asia corridor
- Author “Invest Outside the Box”



## Fundamentals

- Background on the German & Broader European Economy
- Europe's "COVID test"
- Understanding the DAX and EURO STOXX 50 indexes

## Futures and Strategies

- EURO STOXX 50 futures
- DAX vs Mini-DAX futures
- Examples of strategies using these futures
- Risks

First, a very brief history of post-war Europe  
in 7 charts...

# GDP (current LCU) - Germany, France, Italy, Spain, Netherlands

World Bank national accounts data, and OECD National Accounts data files.

License : CC BY-4.0 [i](#)

Line

Bar

Map

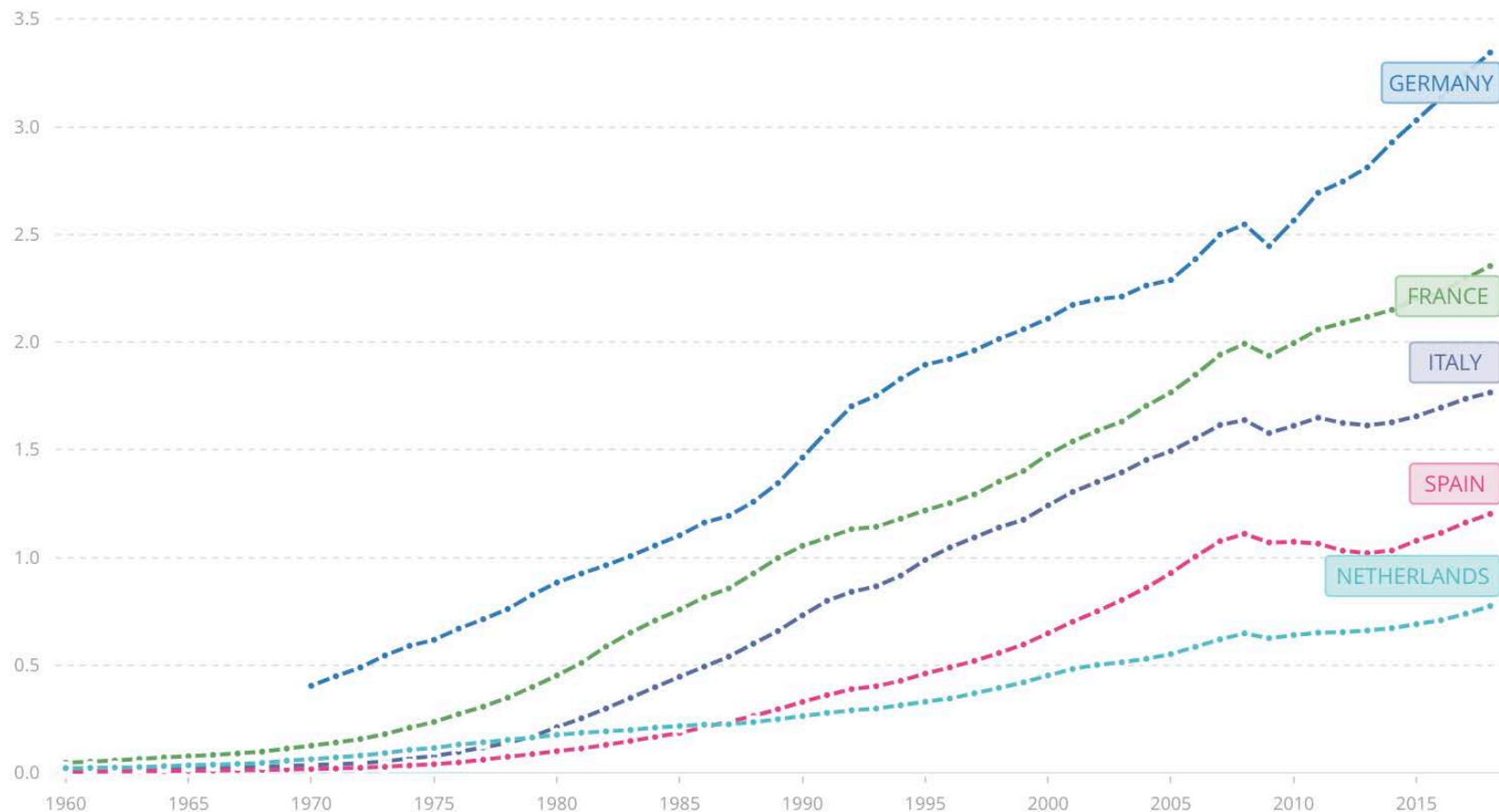
Also Show

Share

Details

Trillion

LABEL

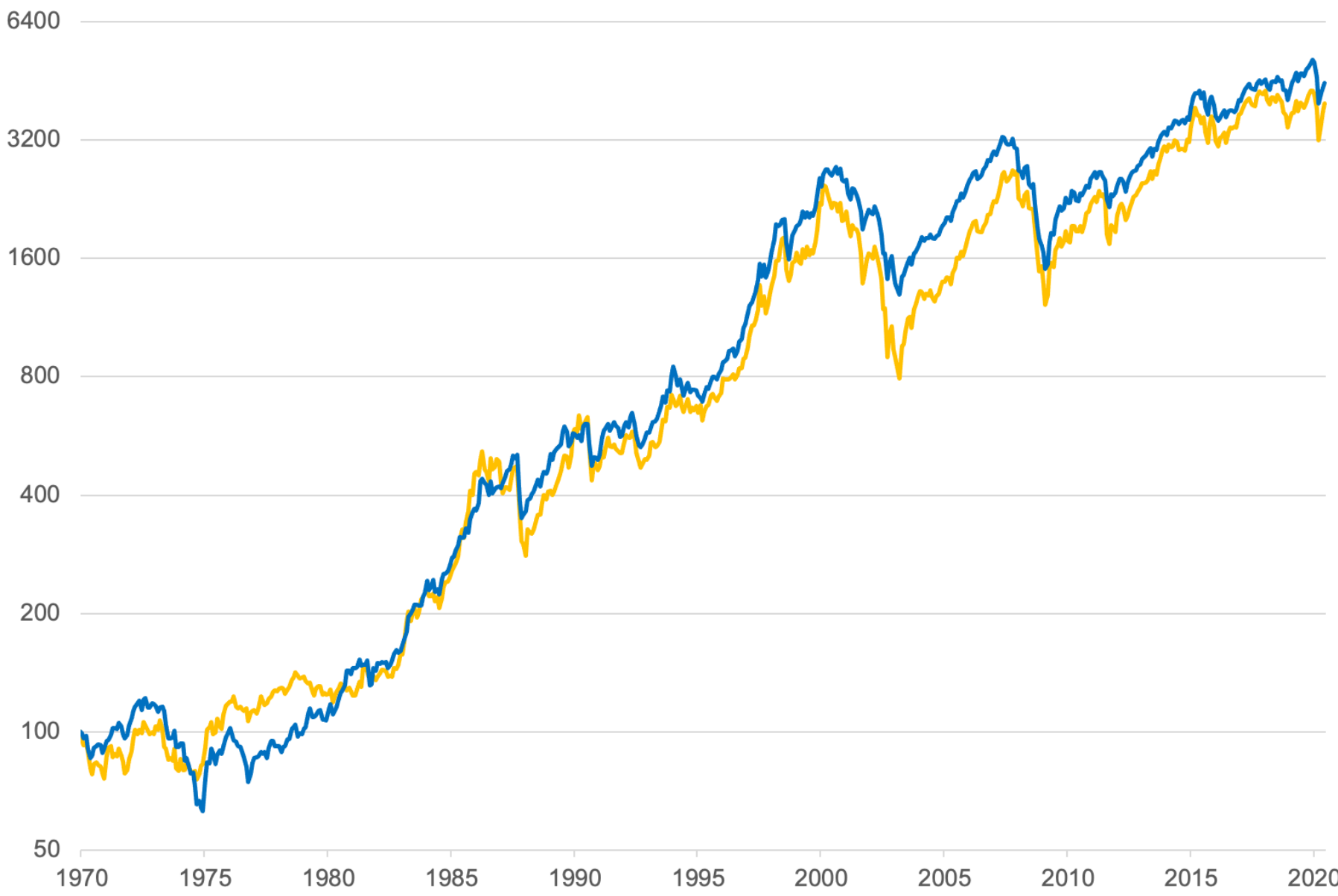


Source: World Bank



MSCI Germany vs Europe, 1970-2020

Source: MSCI



Germany Europe





# Historic CAPE® Ratio by country

Select a country in the chart below to compare historic CAPE® Ratios over time.

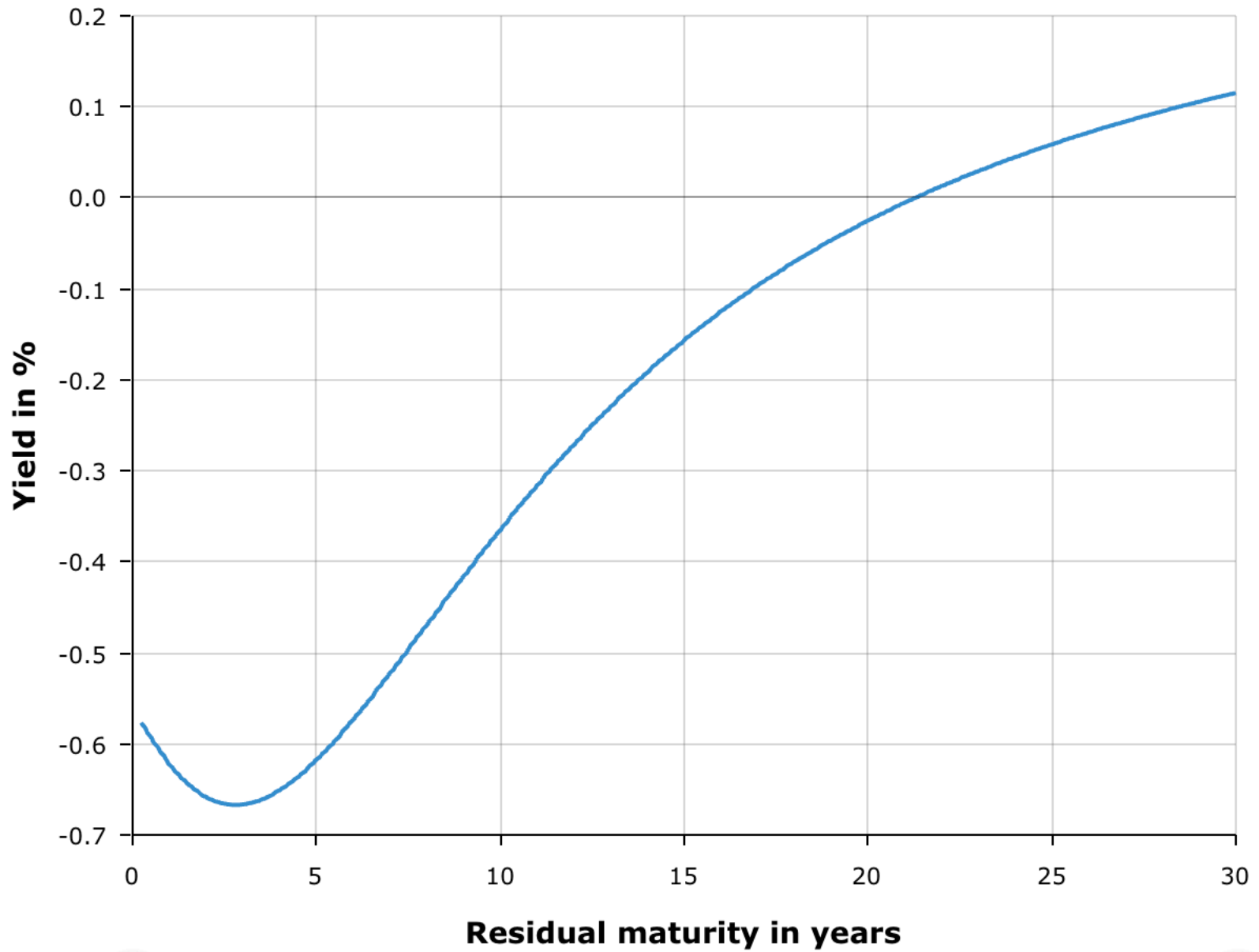
 Export (CSV 20KB)



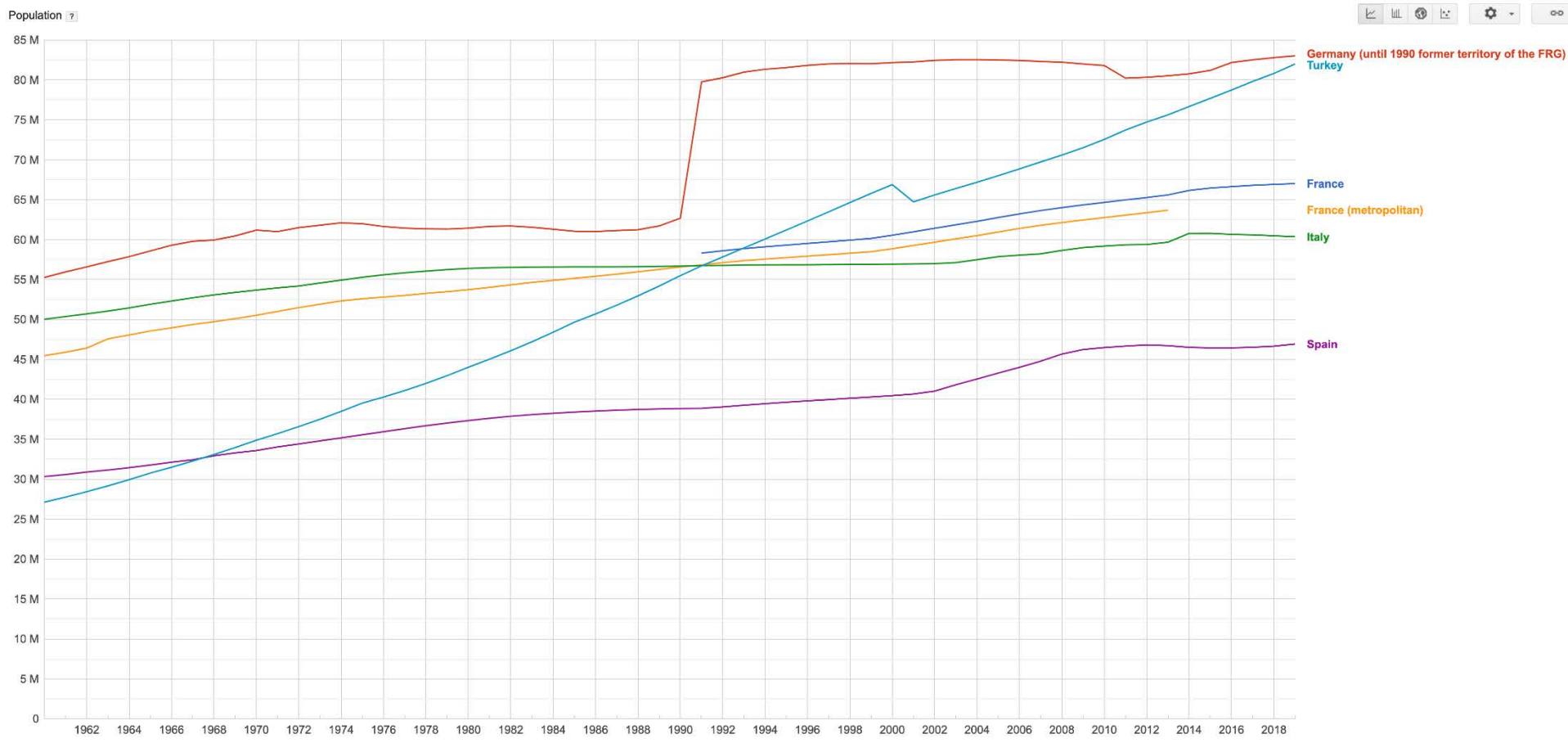
Source: <https://indices.barclays/IM/21/en/indices/static/historic-cape.app>



Source: <https://tradingeconomics.com/germany/government-bond-yield>



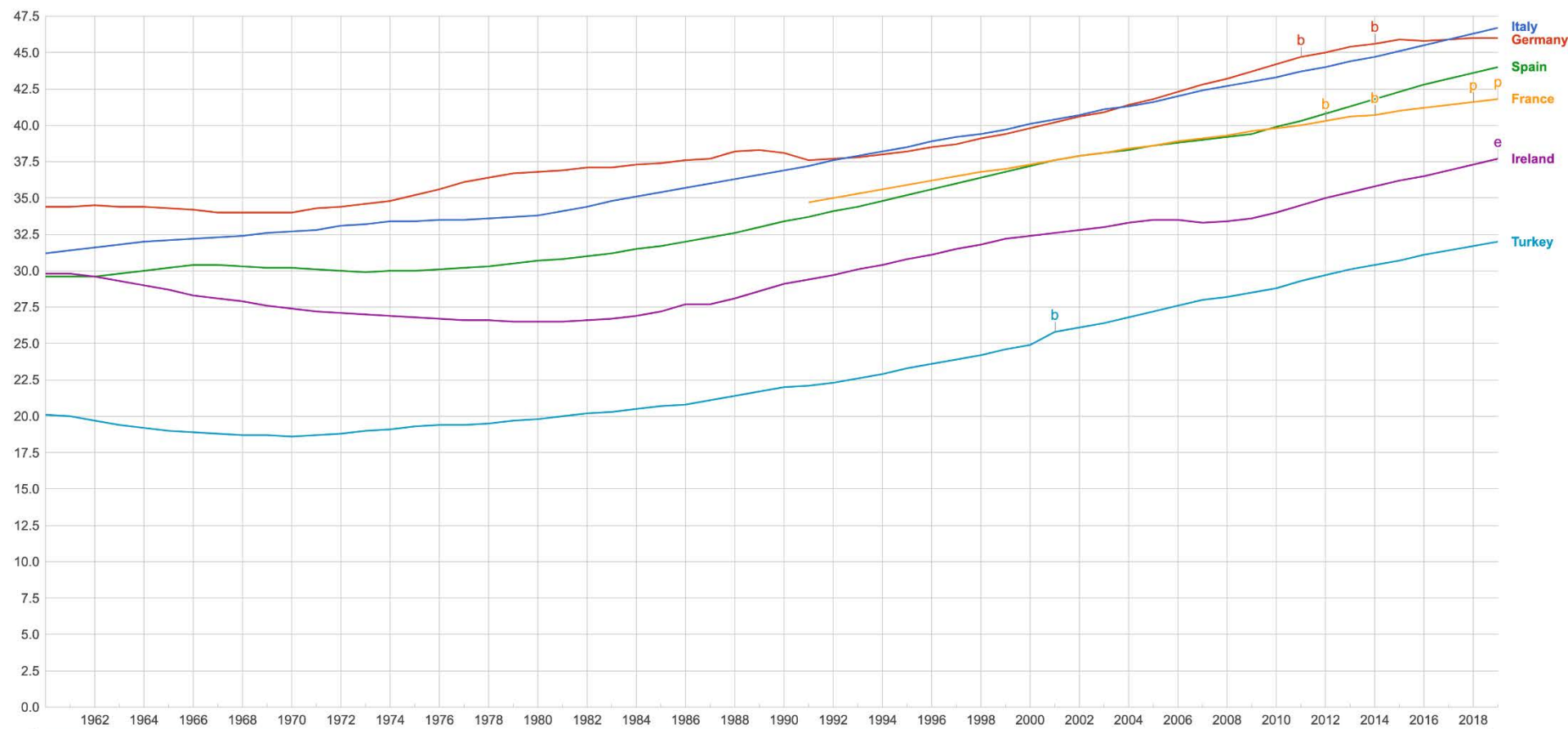
Source: [https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/euro\\_area\\_yield\\_curves/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_area_yield_curves/html/index.en.html)



Source: Google Public Data, EuroStat



Median age of population ?



Source: Google Public Data, EuroStat

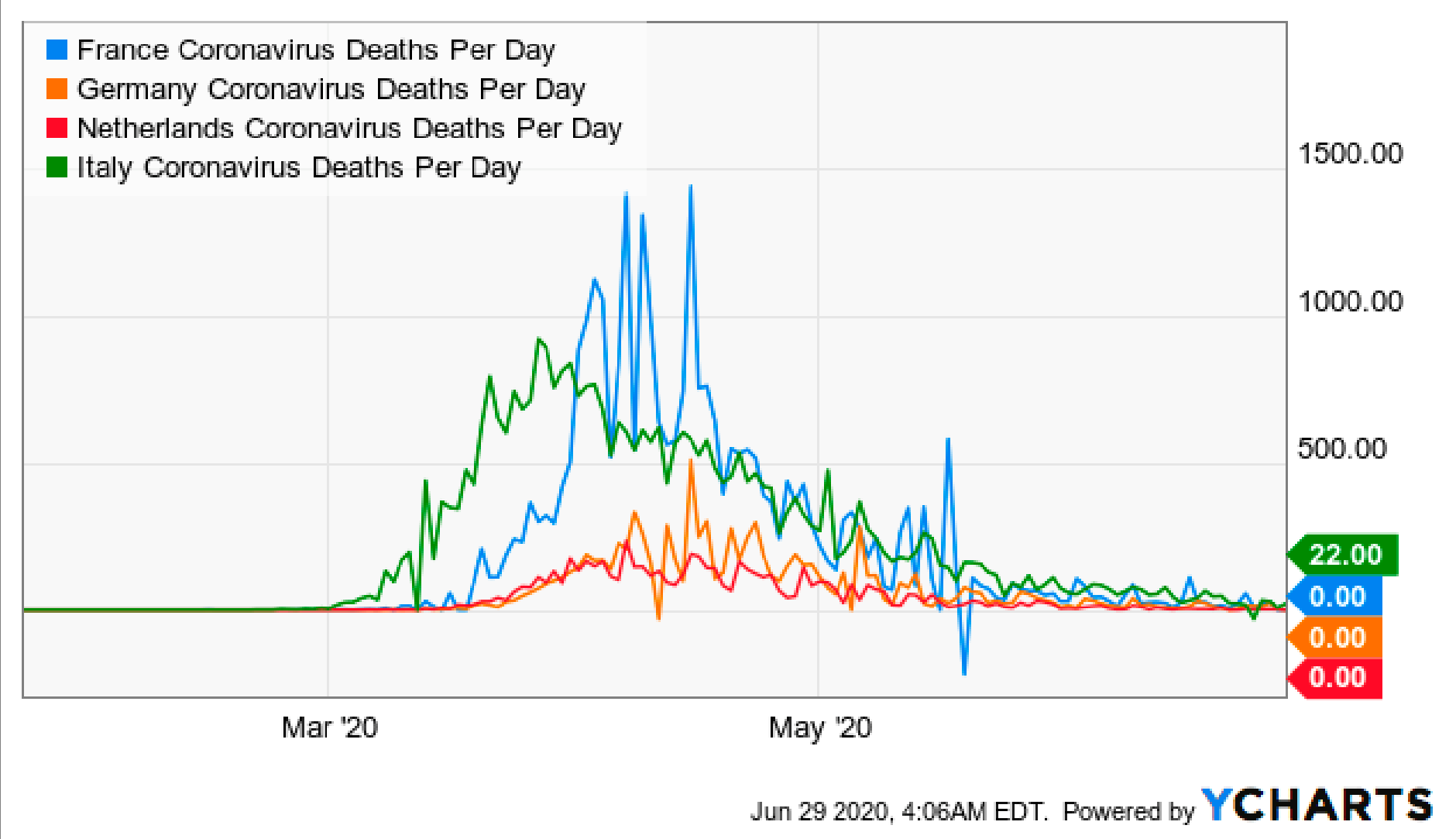
# COVID-19 in Europe...

# Coronavirus stats as of July 3<sup>rd</sup>...

All											
Europe											
North America											
Asia											
South America											
Africa											
Oceania											
#	Country, Other	Total Cases	Total Deaths	Total Recovered	Active Cases	Serious, Critical	Tot Cases/ 1M pop	Deaths/ 1M pop	Total Tests	Tests/ 1M pop	Population
	Europe	2,440,625	192,564	1,397,506	850,555	5,660					
1	<a href="#">Russia</a>	661,165	9,683	428,978	222,504	2,300	4,531	66	20,168,904	138,205	145,934,960
2	<a href="#">Spain</a>	297,183	28,368	N/A	N/A	617	6,356	607	5,448,984	116,544	46,754,922
3	<a href="#">UK</a>	283,757	43,995	N/A	N/A	279	4,180	648	9,914,663	146,044	67,887,996
4	<a href="#">Italy</a>	240,961	34,818	191,083	15,060	82	3,985	576	5,498,719	90,946	60,461,036
5	<a href="#">Germany</a>	196,717	9,064	180,300	7,353	327	2,348	108	5,873,563	70,102	83,785,708
6	<a href="#">France</a>	166,378	29,875	76,802	59,701	573	2,549	458	1,384,633	21,212	65,274,533
7	<a href="#">Sweden</a>	70,639	5,411	N/A	N/A	124	6,994	536	519,113	51,399	10,099,585
8	<a href="#">Belarus</a>	62,698	405	48,738	13,555	89	6,635	43	1,028,349	108,828	9,449,297
9	<a href="#">Belgium</a>	61,598	9,761	17,044	34,793	37	5,315	842	1,251,345	107,968	11,589,926
10	<a href="#">Netherlands</a>	50,335	6,113	N/A	N/A	28	2,938	357	616,376	35,971	17,135,140

Source: <https://www.worldometers.info/coronavirus/>

# Coronavirus Deaths Per Day In Europe



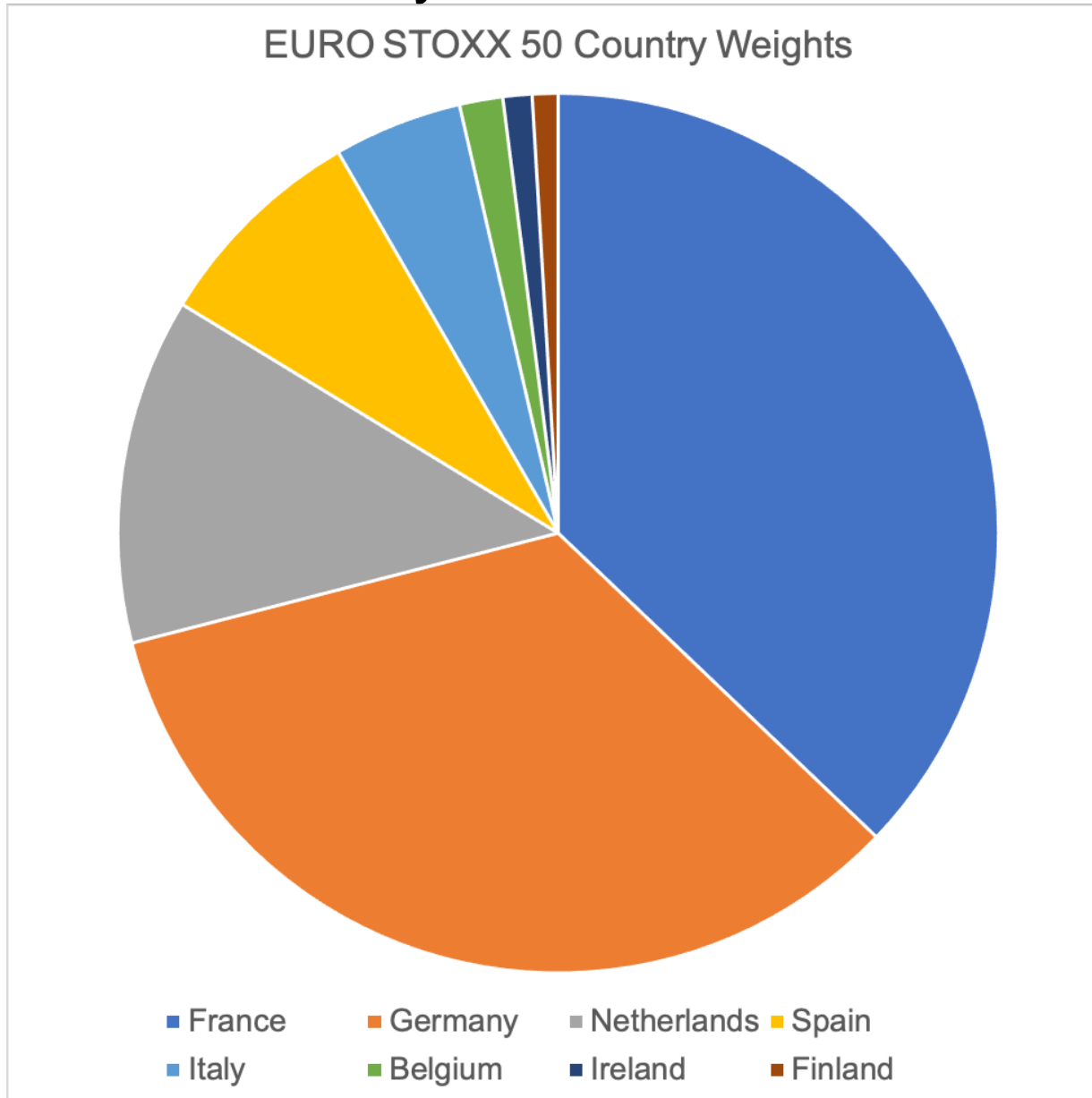


# Looking into the DAX vs EURO STOXX 50

# EURO STOXX Top 30 (80%) vs DAX Holdings

Name	Weight (%)	Sector	Location		Name	Weight (%)	Sector
ASML HOLDING NV	6.0	Information Technology	Netherlands		LINDE PLC	10.1	Materials
SAP	5.8	Information Technology	Germany		SAP	10.1	Information Technology
LVMH	4.5	Consumer Discretionary	France		SIEMENS N AG	8.3	Industrials
LINDE PLC	4.5	Materials	Germany		ALLIANZ	7.9	Financials
SANOFI SA	4.5	Health Care	France		BAYER AG	6.8	Health Care
TOTAL SA	3.8	Energy	France		DEUTSCHE TELEKOM N AG	5.3	Communication
SIEMENS N AG	3.4	Industrials	Germany		BASF N	4.9	Materials
ALLIANZ	3.2	Financials	Germany		ADIDAS N AG	4.4	Consumer Discretionary
LOREAL SA	3.0	Consumer Staples	France		MUENCHENER RUECKVERSICHERUNGS	3.4	Financials
UNILEVER NV	2.8	Consumer Staples	Netherlands		DEUTSCHE POST AG	3.4	Industrials
BAYER AG	2.8	Health Care	Germany		DAIMLER AG	3.2	Consumer Discretionary
IBERDROLA SA	2.6	Utilities	Spain		DEUTSCHE BOERSE AG	3.1	Financials
AIR LIQUIDE SA	2.6	Materials	France		VONOVIA SE	3.0	Real Estate
ENEL	2.6	Utilities	Italy		INFINEON TECHNOLOGIES AG	2.9	Information Technology
SCHNEIDER ELECTRIC	2.3	Industrials	France		VOLKSWAGEN NON-VOTING PREF AG	2.6	Consumer Discretionary
DEUTSCHE TELEKOM N AG	2.1	Communication	Germany		E.ON N	2.3	Utilities
VINCI SA	2.0	Industrials	France		RWE AG	2.1	Utilities
BASF N	2.0	Materials	Germany		BMW AG	1.9	Consumer Discretionary
ADIDAS N AG	1.9	Consumer Discretionary	Germany		FRESENIUS SE AND CO KGAA	1.9	Health Care
BNP PARIBAS SA	1.7	Financials	France		DEUTSCHE BANK AG	1.9	Financials
DANONE SA	1.7	Consumer Staples	France		FRESENIUS MEDICAL CARE AG	1.6	Health Care
KONINKLIJKE PHILIPS NV	1.7	Health Care	Netherlands		HENKEL & KGAA PREF AG	1.5	Consumer Staples
AXA SA	1.7	Financials	France		MERCK	1.4	Health Care
AIRBUS GROUP	1.6	Industrials	France		DEUTSCHE WOHNEN	1.4	Real Estate
ANHEUSER BUSCH INBEV NV	1.6	Consumer Staples	Belgium		BEIERSDORF AG	1.1	Consumer Staples
KERING SA	1.5	Consumer Discretionary	France		CONTINENTAL AG	1.0	Consumer Discretionary
BANCO SANTANDER SA	1.5	Financials	Spain		MTU AERO ENGINES HOLDING AG	0.9	Industrials
ESSILORLUXOTTICA SA	1.5	Consumer Discretionary	France		HEIDELBERGCEMENT AG	0.7	Materials
DEUTSCHE POST AG	1.4	Industrials	Germany		COVESTRO AG	0.6	Materials
SAFRAN SA	1.4	Industrials	France		WIRECARD AG	0.0	Information Technology

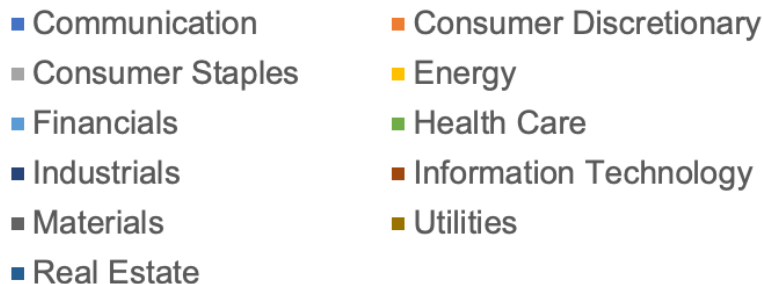
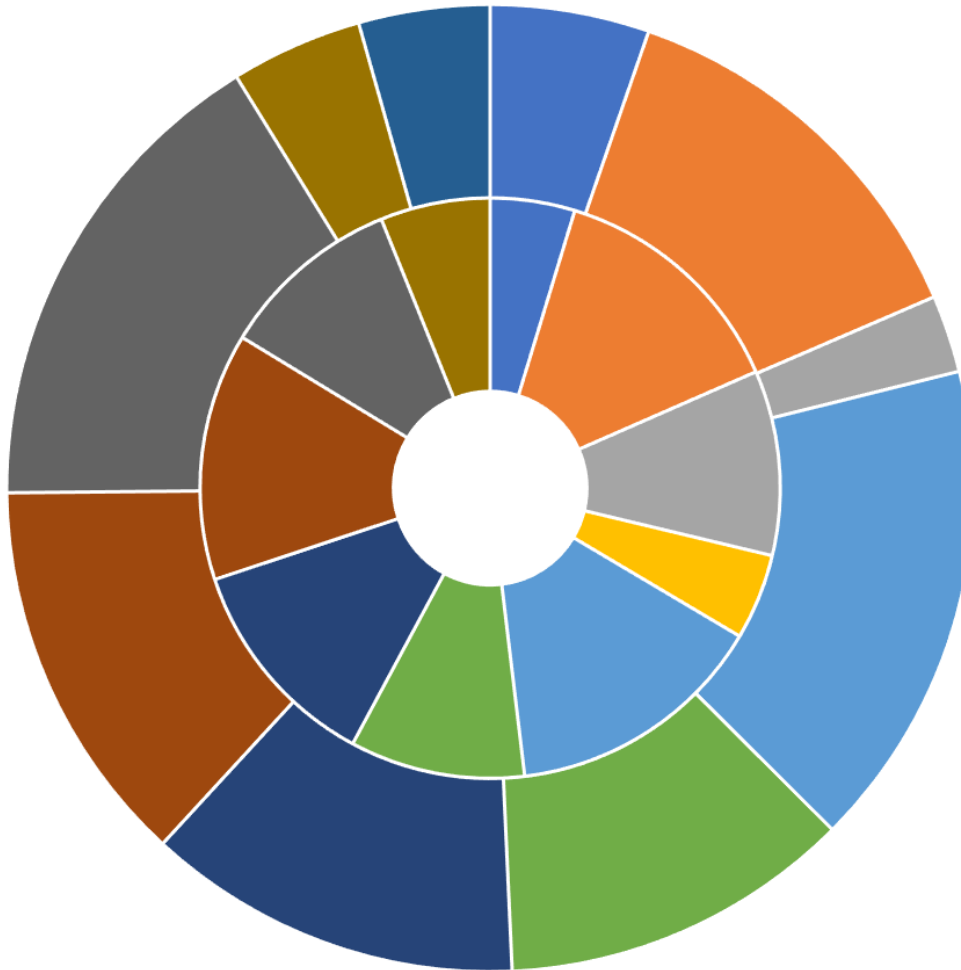
# DAX is 100% Germany, but EURO STOXX 50:



Source: Blackrock

© 2020 GFM Group

## EURO STOXX 50 (Inside) vs DAX (Outside) Sector Weights



## Biggest DAX tilts:

- Materials +6% (Linde & BASF)
- Real Estate +4% (Vonovia & Deutsche Wohnen)

## Biggest ESTX50 tilts:

- Staples +8% (L'Oreal, Unilever & Danone)
- Energy +5% (Total & ENI)



# Linde: Growth through acquisition



Source: YCharts

On to the index futures...

	LAST	VOLUME
DAX ∞ Sep18'20 @DTB	12144.50	18.9K
DAX ∞ Sep18'20 @DTB	12145.00	10.0K
ESTX50 ∞ Sep18'20 @DTB	3195.00	92.3K
GBL ∞ Sep08'20 @DTB	176.51	43.4K
I Dec14'20 @ICEEU	100.460	6.66K
I Dec13'21 @ICEEU	100.490	1.11K
I Dec19'22 @ICEEU	100.455	1.46K

Source: Interactive Brokers, June 29<sup>th</sup> 2020, 3:30pm HKT



Source: Interactive Brokers, June 29<sup>th</sup> 2020, 3:30pm HKT





Order Confirmation

▼ Dow Jones Euro STOXX50

Financial Instrument	Bid	Ask	Last
ESTX50 ∞ Sep18'20 @DTB	◆ 3196.00	3197.00 ◆	◆ 3197.00

Order Description

**SELL 1**

Order Type	LMT	Routing	DTB	Time in Force	DAY	Allocation
Limit Price	3333.00	Clearing	IB			



Messages

Amount		Margin Impact (in USD)			
			Current	Change	Post-trade*
Amount	33,330 EUR	Equity with Loan	123,604	-1	123,603
Commission (est.)	1.26 EUR	Initial Margin	49,188	7,905	57,093
Total	33,328.74 EUR	Maintenance Margin	40,718	6,324	47,042
		Position	0	-1	-1

\*This is a current projection and is subject to change.

Don't display this message again.


## DAX@DTB

1 pt = 5.00 EUR  

DAX <b>SEP</b>	Sep18'20	12114.60
DAX <b>DEC</b>	Dec18'20	12046.00
DAX <b>MAR</b>	Mar19'21	12033.00
DAX ∞ <b>SEP</b>	Continuous (Sep)	12114.60

**More/Multiple**

**Futures Spreads**

Multiplier 5 

- 25
- 5





Order Confirmation

▼ DAX 30 Index (Deutsche Aktien Xchange 30)

Financial Instrument	Bid	Ask	Last
DAX ∞ Sep18'20 @DTB	◆ 12141.50	12142.50 ◆	◆ 12141.50

Order Description

**SELL 1**

Order Type LMT      Routing DTB      Time in Force DAY      Allocation  
 Limit Price 12222.00      Clearing IB

Messages

Amount		Margin Impact (in USD)			
			<u>Current</u>	<u>Change</u>	<u>Post-trade*</u>
Amount	305,550 EUR	Equity with Loan	123,606	-2	123,604
Commission (est.)	1.71 EUR	Initial Margin	49,189	72,000	121,189
Total	305,548.29 EUR	Maintenance Margin	40,719	57,600	98,318
		Position	0	-1	-1

\*This is a current projection and is subject to change.

Don't display this message again.

Override and Transmit

Cancel



# Order Confirmation

▼ DAX 30 Index (Deutsche Aktien Xchange 30)

Financial Instrument	Bid	Ask	Last
DAX ∞ Sep18'20 @DTB	◆ 12146.00	12147.00 ◆	◆ 12146.00

## Order Description

**SELL 1**

Order Type LMT      Routing DTB      Time in Force DAY      Allocation

Limit Price 12222.00      Clearing IB

## Messages

### Amount

Amount	61,110 EUR
Commission (est.)	0.76 EUR
Total	61,109.24 EUR

### Margin Impact (in USD)

	Current	Change	Post-trade*
Equity with Loan	123,602	-1	123,601
Initial Margin	49,189	14,400	63,589
Maintenance Margin	40,718	11,520	52,239
Position	0	-1	-1

\*This is a current projection and is subject to change.

Don't display this message again.

**Override and Transmit**

**Cancel**

# 1 “Big” DAX contracts vs....

Amount		Margin Impact (in USD)			
		<u>Current</u>	<u>Change</u>	<u>Post-trade*</u>	
Amount	305,550 EUR				
Commission (est.)	1.71 EUR	Equity with Loan	123,606	-2	123,604
Total	305,548.29 EUR	Initial Margin	49,189	72,000	121,189
		Maintenance Margin	40,719	57,600	98,318
		Position	0	-1	-1

\*This is a current projection and is subject to change.

# 5 “Mini” DAX contracts

Amount		Margin Impact (in USD)			
		<u>Current</u>	<u>Change</u>	<u>Post-trade*</u>	
Amount	305,550 EUR				
Commission (est.)	3.80 EUR	Equity with Loan	123,602	-4	123,598
Total	305,546.20 EUR	Initial Margin	49,190	72,000	121,190
		Maintenance Margin	40,719	57,600	98,319
		Position	0	-5	-5

\*This is a current projection and is subject to change.

For a future webinar: Super-liquid Options



Calls and Puts 3302.58 +74.13 (+2.30%)

JUL 17 '20 15 DAYS    AUG 21 '20 50 DAYS    **SEP 18 '20 78 DAYS**    OCT 16 '20 106 DAYS    MORE ▾

TABBED VIEW ▾    2.5 SD ▾    DTB ▾    OESX ▾    10

CALLS						PUTS						
OPTN O...	VOLUME	BID	SIZE	BID x ASK	ASK SIZE	STRIKE	OPTN O...	VOLUME	BID	SIZE	BID x ASK	ASK SIZE
23.4K			220	390.20 x 397.60	400	2950	85.4K	1	600		58.70 x 60.10	254
1.30K			224	369.50 x 376.70	400	2975	2.67K	1	600		62.90 x 64.30	400
84.1K	4		229	349.10 x 356.10	400	3000	114K	560	400		67.50 x 68.90	254
8.72K			234	329.00 x 335.80	400	3025	37.5K	157	550		72.30 x 73.80	254
34.7K			239	309.30 x 315.90	400	3050	59.0K	342	550		77.50 x 79.00	400
1.63K			245	290.00 x 296.30	400	3075	571	213	95		83.30 x 84.70	400
56.9K	25		241	271.00 x 277.10	400	3100	95.5K	340	350		89.10 x 90.80	400
897	3		400	254.50 x 258.20	400	3125	3.73K	65	350		95.50 x 97.10	400
32.1K			629	234.50 x 240.20	400	3150	85.9K	114	300		102.30 x 104.30	629
1.25K			400	218.10 x 222.20	400	3175	4.79K	114	400		109.70 x 111.80	625
66.9K			300	201.50 x 204.60	401	3200	146K	71	400		117.50 x 119.80	620
7.92K	1		300	185.00 x 188.00	200	3225	42.6K	117	300		125.80 x 128.40	417
37.9K	1		400	169.10 x 171.90	401	3250	35.7K	119	600		134.80 x 137.40	600
13.0K			400	153.70 x 156.50	401	3275	288	67	600		144.40 x 147.10	400
89.6K	95		400	139.00 x 141.70	401	3300	85.2K	11	600		154.60 x 157.40	400
21.6K	102		400	125.00 x 127.60	401	3325	2.94K		400		165.60 x 168.40	400
50.5K	25		400	111.80 x 114.30	600	3350	41.3K	3	600		177.20 x 180.30	400
3.59K	460		400	99.30 x 101.70	801	3375	648		400		189.10 x 193.90	217
97.4K	282		600	87.60 x 89.90	801	3400	44.4K		400		202.30 x 207.40	221
37.4K	1		400	76.90 x 79.10	500	3425	235		400		216.40 x 221.80	227
44.0K	668		400	66.90 x 68.90	601	3450	18.4K		400		231.20 x 237.00	235
72.5K	406		400	57.90 x 59.60	601	3475	398		400		246.90 x 253.10	846
146K	106		254	49.60 x 51.20	601	3500	93.1K		400		263.30 x 269.90	240
34.7K	100		254	42.10 x 43.70	601	3525			400		280.70 x 287.60	231
93.7K			254	35.50 x 36.90	601	3550	23.5K		400		298.80 x 306.10	223
4.40K			904	29.70 x 31.00	400	3575			400		317.80 x 325.50	216
63.3K	183		954	24.60 x 25.80	400	3600	42.1K		400		337.50 x 345.50	210
1.12K			254	20.30 x 21.40	254	3625			400		358.00 x 366.30	204
60.8K	3		254	16.60 x 17.50	400	3650	28.9K		400		379.10 x 387.70	199
6.42K			1,104	13.40 x 14.30	275	3675	100		400		400.80 x 409.60	195
72.8K	20		750	10.90 x 11.60	254	3700	28.7K		400		423.00 x 432.10	192

IV: 24.4%

Finally, some strategies....

## Direct Stock / ETF

- Buy with cash
- Borrow to short
- Hold as long as you wish
- Full EUR exposure
- Dividend / tax issues?
- Smaller lot sizes

## Futures

- Small margin requirement
- Short w/ no borrow
- Must roll monthly/quarterly
- FX exposure only on margin
- Implied div priced in
- “Institutional” liquidity



## L/S #1: DAX vs EURO STOXX

- Macro / sector bet on Germany vs rest of Europe (mostly France)
- Relative Value
- Roughly 2x ESTX50 vs 1x Mini-DAX

## Risks

- Being wrong
- Pushing margin limits

## L/S #2: Stocks vs Index Future

- Long select basket of European stocks vs short futures
- Requires cash or margin funding of long side, dividend WHT, etc.
- But futures easily provides the most efficient beta hedge

## Risks

- Your stock picks underperform
- Still need to watch margin limits

Now, some details from Eurex....

# Eurex – The International Derivatives Exchange

Product contract specifications  
and trading hours

July 2020



---

# Eurex – The World’s Leading Derivatives Exchange

## Trading & Clearing

- More than 2,400 products covering all major as well as alternative asset classes
- The marketplace, based on innovative IT infrastructure, is the gateway to some of the most heavily traded EUR-denominated equity, equity index and fixed income derivatives
- Direct-Clearing Members (DCMs) or General-Clearing Members (GCMs): trading and clearing directly
- Non-Clearing Members (NCMs): trading participation
- Members can enter off-order book trades through the Eurex Trade Entry services giving opportunity to trade large volume without execution risk (CCP)
- More than 350 participants and 8,000 traders in over 30 countries
- Trading hours:
  - 1am – 10pm Central European Time (CET)\*
  - 2am – 10pm Central European Summer Time (CEST)\*

*\* Consists of pre-trading, trading phases*



# 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*		FX Derivatives*	
	Fixed Income Market	Money Market		
Commodity Derivatives				
Bloomberg Commodity Index Derivatives		Exchange Traded Commodities Derivatives		
Property Derivatives*				

\* Available for trading in the U.S.

Please find the current trading hours on our website:  
[www.eurexchange.com](http://www.eurexchange.com) > Trading > Trading Calendar > Trading Hours



[www.eurexchange.com](http://www.eurexchange.com)



# Summary

## Key Facts

- Eurex extended its trading and clearing hours on 10 Dec 2018 to also cover the Asian time zone
- Products in scope are Eurex's select benchmark futures and MSCI futures, options are out of scope
- Market opening is at 8am SGT; end of the trading & clearing day remains unchanged
- TES entry service (Block-, EFP-, EFS trades) is available from 08:15am SGT
- Please Note: Open GTC / GTD orders in THX relevant Futures can be executed in Asian Hours
- The Trading day starts with a Pre-Trading phase, followed by Pre-Opening & Opening Auction and Continuous Trading

### Eurex extended hours – trading phases



\* Singapore time during Central European Summer Time. Time difference: SGT/CET: +7h; SGT/CEST: +6h

\*\* To optimize overnight processing, as of 25 Feb 2019, the post-trading phase is reduced from 30mins to 10mins (22:00 CET to 22:10 CET). The clearing services are not impacted and will continue to be available until 22:30 CET.

# Eurex Trading Hours Extension – Trading Activity (1/2)

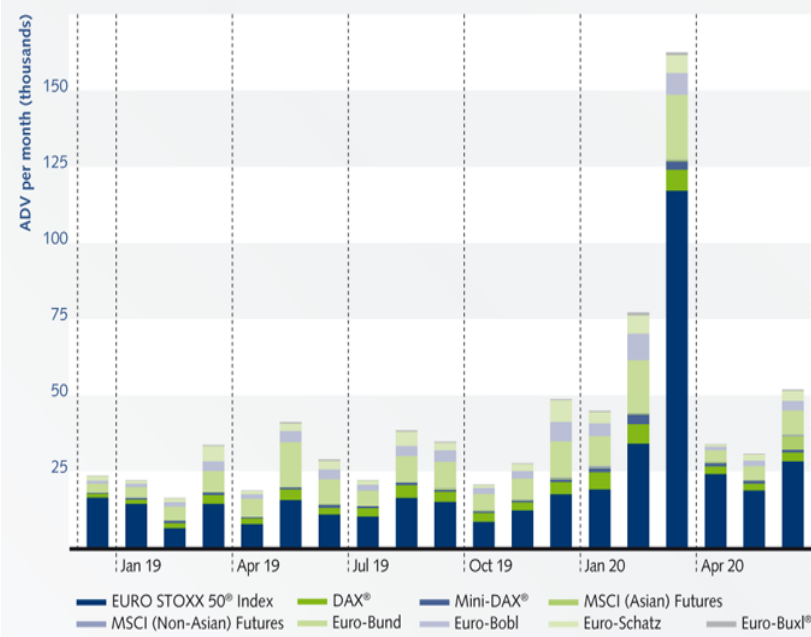
Eurex Trading Hours Extension offers attractive spreads and liquidity in European Benchmark products during Asian Hours. Futures on EURO STOXX and Euro-Bund trading at 1 tick spreads.

## Eurex offers attractive spreads during Asian Hours:

Product	Asian Hours	Core Hours
EURO STOXX 50®	1 tick	1 tick
DAX®	3 ticks	2 ticks
Mini-DAX®	5 ticks	2 ticks
Euro-Bund	1 tick	1 tick
Euro-Bobl	1 tick	1 tick
Euro-Schatz	1 tick	1 tick
Euro-Buxl®	3 ticks	2 ticks

Product	June 2020 Asian Hours Volume	June 2020 Asian Hours ADV	Notional Volume in USD Millions	% Off-book	% Agency	% Asian hours	June 2019 Asian Hours Volume	June 2019 Asian Hours ADV	%YoY ADV Growth
EURO STOXX 50® Index	624,168	28,371	22,524	0.0%	34.3%	1.6%	218,572	10,929	159.6%
DAX®	64,104	2,914	22,070	0.0%	3.7%	2.6%	43,464	2,173	34.1%
Mini-DAX®	20,420	928	1,406	0.0%	1.0%	1.4%	19,359	968	-4.1%
MSCI (Asian) Futures	98,608	4,482	5,686	97.3%	98.0%	8.9%	3,613	181	2381.1%
MSCI EM Asia	38,804	1,764	2,159	94.4%	6.0%	4.7%	207	10	16941.7%
MSCI Japan	44,547	2,025	2,872	100.0%	7.1%	25.0%	12	1	337377.3%
MSCI China Free	2,079	95	96	78.9%	0.3%	5.9%	3,208	160	-41.1%
Others	5,137	233	269	99.5%	93.0%	13.0%	166	8	2713.3%
MSCI (Non-Asian) Futures	7,690	350	365	53.3%	48.8%	0.5%	1,206	60	479.7%
Euro-Bund	176,655	8,030	34,413	0.0%	10.2%	1.0%	162,658	8,133	-1.3%
Euro-Bobl	67,982	3,090	10,246	0.0%	2.4%	0.6%	64,309	3,215	-3.9%
Euro-Schatz	73,216	3,328	9,187	0.0%	5.9%	0.8%	57,007	2,850	16.8%
Euro-Buxl®	9,401	427	2,238	0.0%	0.4%	0.5%	10,451	523	-18.2%
<b>Grand Total</b>	<b>1,142,244</b>	<b>51,920</b>	<b>108,135</b>	<b>8.8%</b>	<b>40.4%</b>	<b>1.35%</b>	<b>580,639</b>	<b>29,032</b>	<b>78.8%</b>

Monthly ADV by product (December 2018 to June 2020) – Eurex Asian Hours  
02:15 AM CEST to 08:00 AM CEST  
08:15 AM SGT to 02:00 PM SGT

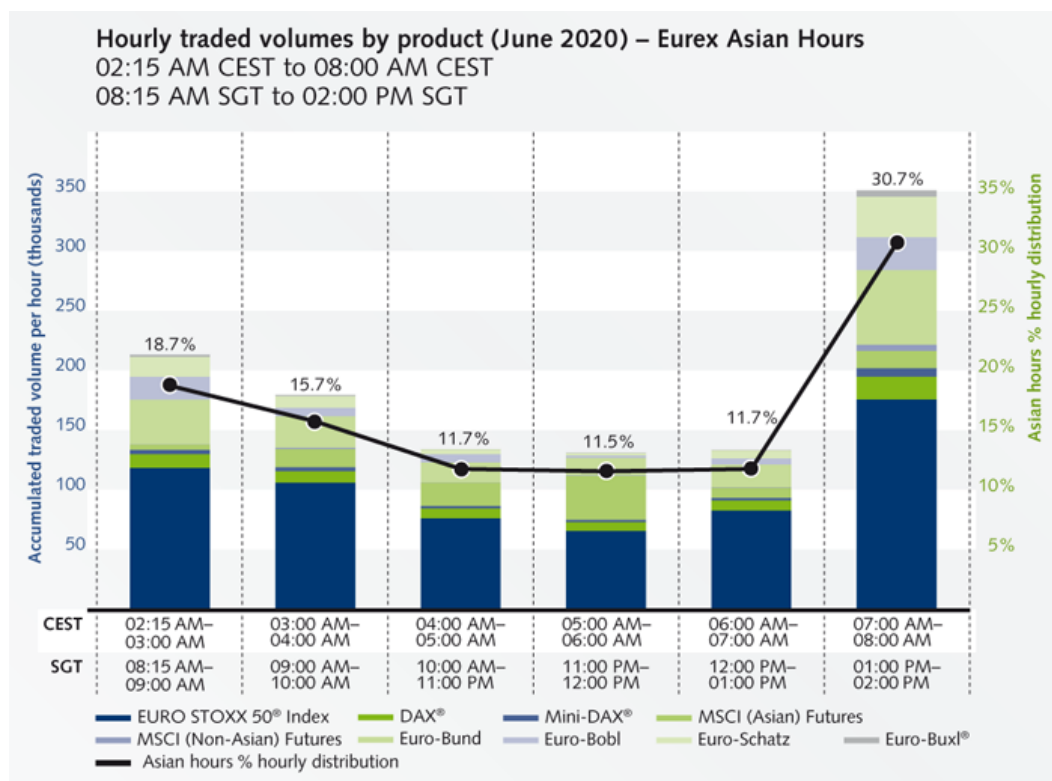


Data from:  
10<sup>th</sup> December 2018 – 30<sup>th</sup> June 2020



## Eurex Trading Hours Extension – Trading Activity (2/2)

Accumulated Hourly Traded Volumes show a healthy distribution of activity during the Asian time zone.



**Over 230 direct members have contributed to the liquidity during Asian hours with 35% flow from end clients (Agency-Account) in 2020**

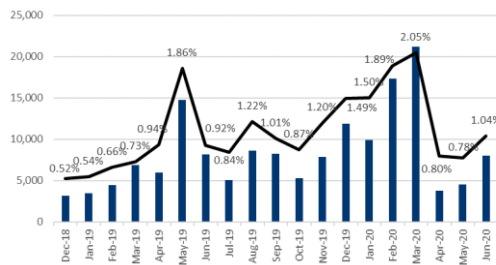
Total volume during Asian trading hours (single counted):	<b>16,293,598 contracts since launch</b>
Trading participation - Account Roles 2020 YTM:	<p><b>15%</b> on M-accounts (Market Making Account)</p> <p><b>36%</b> on A-accounts (Agency)</p> <p><b>49%</b> on P-accounts (Principal)</p>
Total number of active Eurex Members 2020:	<b>248 (accumulated)</b>

Monthly Data from:  
 1<sup>st</sup> June 2020 – 30<sup>th</sup> June 2020

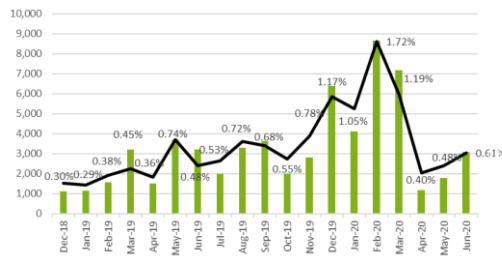


# Eurex Trading Hours Extension – ADV Development

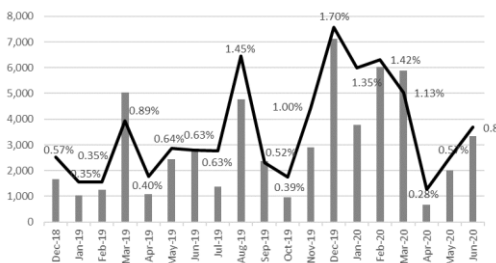
Average Daily Volume (ADV) development shows opportunities during the Asian time zone.



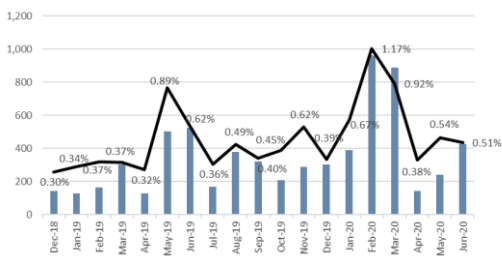
Euro-Bund Futures



Euro-Bobl Futures



Euro-Schatz Futures



Euro-Buxl® Futures

**Our Interest Rate Futures (Euro-Bund, Euro-Bobl, Euro-Schatz, Euro-Buxl®) have shown good improvement in monthly ADV during Trading Hours Extension over the months since launch**

Average Daily Volume (2020 YTM):	<b>10,906 contracts</b> on Euro-Bund Futures
	<b>4,355 contracts</b> on Euro-Bobl Futures
	<b>3,648 contracts</b> on Euro-Schatz Futures
	<b>511 contracts</b> on Euro-Buxl® Futures

All data from:  
10<sup>th</sup> December 2018 – 30<sup>th</sup> June 2020



## Selected Eurex Equity Index Derivatives

Underlying	Futures	IBKR Ticker	ADV 2019	ADV 2020 <sup>1</sup>	Options <sup>2</sup>	ADV 2019	ADV 2020 <sup>1</sup>
<b>EURO STOXX 50® Index</b> Top 50 Eurozone stocks by free-float market cap	<b>FESX</b>	ESTX50	1,155,574	<b>1,748,843</b>	<b>OESX</b>	1,069,030	<b>1,416,317</b>
<b>EURO STOXX® Banks Sector Index</b> Top Eurozone banks sector stocks out of EURO STOXX Index	<b>FESB</b>	SX7E	321,422	<b>409,447</b>	<b>OESB</b>	229,830	<b>224,799</b>
<b>DAX® Index</b> Top 30 German stocks by free-float market cap	<b>FDAX</b>	DAX	109,874	<b>117,006</b>	<b>ODAX</b>	116,152	<b>123,848</b>
<b>VSTOXX® Volatility Index</b> Volatility index based on EURO STOXX 50 real-time options prices	<b>FVS</b>	V2TX	62,944	<b>62,398</b>	<b>OVS2</b>	29,211	<b>28,628</b>
<b>SMI® Index</b> Top 20 Swiss stocks by free-float market cap	<b>FSMI</b>	SMI	49,338	<b>64,941</b>	<b>OSMI</b>	16,796	<b>19,939</b>
<b>STOXX Europe 600® Index</b> 600 large, mid and small capitalization companies across 18 countries of the European region	<b>FXXP</b>	DJ600	75,614	<b>110,595</b>	<b>OXXP</b>	1,854	<b>4,093</b>
<b>Mini-DAX® Index Futures</b> Top 30 German stocks by free-float market cap	<b>FDXM</b>	DAX	45,241	<b>83,384</b>	-	-	-
<b>EURO STOXX® 50 DVP Dividend Points (DVP) Index</b> Hedging of dividend risk/income protection	<b>FEXD</b>	DEXF5	25,242	<b>48,725</b>	<b>OEXD</b>	9,495	<b>12,134</b>
<b>Eurex KOSPI 200 Index Products</b> Futures and Options listed on Eurex/KRX link	<b>FMK2</b>	-	315	<b>1,910</b>	<b>OKS2</b>	<b>145,606</b>	<b>135,232</b>

<sup>1</sup> Average daily volume in traded contracts as of 30/06/2020.

<sup>2</sup> Besides OVS2, other options above do not have CFTC Approval currently.

## Eurex Benchmark Products - Contract Specifications

	EURO STOXX 50 <sup>®</sup> Index Futures	DAX Futures	Mini-DAX Futures
<b>Underlying Index</b>	EURO STOXX 50 <sup>®</sup>	DAX <sup>®</sup>	DAX <sup>®</sup>
<b>Product Code</b>	FESX	FDAX	FDXM
<b>Contract Multiplier</b>	EUR 10	EUR 25	EUR 5
<b>Minimum Price Change</b>	1 tick (EUR 10)	0.5 tick (EUR 12.5)	1 tick (EUR 5)
<b>Initial Margin (IBKR)</b>	EUR 7,028.75	EUR 64,017.50	EUR 12,803.50
<b>Contract months</b>	The eight nearest quarterly months	The three nearest quarterly months	
<b>Daily settlement price</b>	Volume-weighted average during the last minute before 17:30 CET		
<b>Settlement</b>	Cash settlement, payable on the first exchange day following the Final Settlement Day		
<b>Final settlement price</b>	Established by Eurex based on the average of the respective STOXX <sup>®</sup> Index values calculated between 11:50 and 12:00 CET.	Established by Eurex on the Final settlement day by the value of the respective index, based on Xetra <sup>®</sup> auction prices of the respective index component shares. The intraday auction starts at 13:00 CET.	
<b>Last Trading day</b>	3rd Friday of each expiration month if this is an exchange day; otherwise the exchange day immediately preceding that day.		
<b>Final Settlement day</b>	The final settlement day is the trading day following the last trading day.		
<b>Trading Hours</b>	Continuous Trading: 08:15 – 05:00+1 Hong Kong Time (04:00 in European Daylight Saving)		



# Contacts – Eurex Exchange Footprint in Asia



## Hong Kong Representative Office

2904-7, 29/F Man Yee Building  
68 Des Voeux Road Central, Hong Kong  
P +852-2530-7800 / F +852-2530-7880  
[eurex.hongkong@eurexchange.com](mailto:eurex.hongkong@eurexchange.com)

## Singapore Branch

9 Raffles Place #56-01,  
Republic Plaza, Singapore  
P: +65-6597-3051 / F: +65-6597-3080  
[eurex.singapore@eurexchange.com](mailto:eurex.singapore@eurexchange.com)

## Japan Representative Office

Marunouchi Kitaguchi Building 27F,  
1-6-5 Marunouchi, Chiyoda-ku, Tokyo, Japan  
P: +81-3-4578-66220 / F: +81-3-6860-4501  
[eurex.japan@eurexchange.com](mailto:eurex.japan@eurexchange.com)

---

# Appendix

- STOXX® Indexes: <https://www.eurexchange.com/exchange-en/products/idx/stx>
- Mini-DAX: <https://www.eurexchange.com/mini-dax/>
- Interest Rates Derivatives: <https://www.eurexchange.com/exchange-en/products/int>
- MSCI Futures & Options: <https://www.eurexchange.com/msci/>
- VSTOXX Futures & Options: <https://www.eurexchange.com/vstoxx/>
- ESG Futures & Options: <https://www.eurexchange.com/esg/>
- Trading Hours Extension: <https://www.eurexchange.com/thx/>

Deutsche Börse AG (DBAG), Clearstream Banking AG (Clearstream), Eurex Frankfurt AG, Eurex Clearing AG (Eurex Clearing) and Eurex Repo GmbH (Eurex Repo) are corporate entities and are registered under German law. Eurex Global Derivatives AG is a corporate entity and is registered under Swiss law. Clearstream Banking S.A. is a corporate entity and is registered under Luxembourg law. Deutsche Boerse Asia Holding Pte. Ltd., Eurex Clearing Asia Pte. Ltd. and Eurex Exchange Asia Pte. Ltd are corporate entities and are registered under Singapore law. Eurex Frankfurt AG (Eurex) is the administrating and operating institution of Eurex Deutschland. Eurex Deutschland is in the following referred to as the "Eurex Exchange".

All intellectual property, proprietary and other rights and interests in this publication and the subject matter hereof (other than certain trademarks and service marks listed below) are owned by DBAG and its affiliates and subsidiaries including, without limitation, all patent, registered design, copyright, trademark and service mark rights. While reasonable care has been taken in the preparation of this publication to provide details that are accurate and not misleading at the time of publication DBAG, Clearstream, Eurex, Eurex Clearing, Eurex Repo as well as the Eurex Exchange and their respective servants and agents (a) do not make any representations or warranties regarding the information contained herein, whether express or implied, including without limitation any implied warranty of merchantability or fitness for a particular purpose or any warranty with respect to the accuracy, correctness, quality, completeness or timeliness of such information, and (b) shall not be responsible or liable for any third party's use of any information contained herein under any circumstances, including, without limitation, in connection with actual trading or otherwise or for any errors or omissions contained in this publication.

This publication is published for information purposes only and shall not constitute investment advice respectively does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction. This publication is not intended for solicitation purposes but only for use as general information.

All descriptions, examples and calculations contained in this publication are for illustrative purposes only.

Eurex and Eurex Clearing offer services directly to members of the Eurex Exchange respectively to clearing members of Eurex Clearing. Those who desire to trade any products available on the Eurex market or who desire to offer and sell any such products to others or who desire to possess a clearing license of Eurex Clearing in order to participate in the clearing process provided by Eurex Clearing, should consider legal and regulatory requirements of those jurisdictions relevant to them, as well as the risks associated with such products, before doing so.

Only Eurex derivatives that are CFTC-approved may be traded via direct access in the United States or by United States persons. A complete, up-to-date list of Eurex derivatives that are CFTC-approved is available at: <http://www.eurexexchange.com/exchange-en/products/eurex-derivatives-us>. In addition, Eurex representatives and participants may familiarise U.S. Qualified Institutional Buyers (QIBs) and broker-dealers with certain eligible Eurex equity options and equity index options pursuant to the terms of the SEC's July 1, 2013 Class No-Action Relief. A complete, up-to-date list of Eurex options that are eligible under the SEC Class No-Action Relief is available at: <http://www.eurexexchange.com/exchange-en/products/eurex-derivatives-us/eurex-options-in-the-us-for-eligible-customers...> Lastly, U.S. QIBs and broker-dealers trading on behalf of QIBs may trade certain single-security futures and narrow-based security index futures subject to terms and conditions of the SEC's Exchange Act Release No. 60,194 (June 30, 2009), 74 Fed. Reg. 32,200 (July 7, 2009) and the CFTC's Division of Clearing and Intermediary Oversight Advisory Concerning the Offer and Sale of Foreign Security Futures Products to Customers Located in the United States (June 8, 2010).

#### Trademarks and Service Marks

Buxl®, DAX®, DivDAX®, eb.rexx®, Eurex®, Eurex Repo®, Eurex Strategy Wizard<sup>SM</sup>, Euro GC Pooling®, FDAX®, FWB®, GC Pooling®, GCPI®, MDAX®, ODAX®, SDAX®, TecDAX®, USD GC Pooling®, VDAX®, VDAX-NEW® and Xetra® are registered trademarks of DBAG. All MSCI indexes are service marks and the exclusive property of MSCI Barra. ATX®, ATX® five, CECE® and RDX® are registered trademarks of Vienna Stock Exchange AG. IPD® UK Quarterly Indexes are registered trademarks of Investment Property Databank Ltd. IPD and have been licensed for the use by Eurex for derivatives. SLI®, SMI® and SMIM® are registered trademarks of SIX Swiss Exchange AG. The STOXX® indexes, the data included therein and the trademarks used in the index names are the intellectual property of STOXX Limited and/or its licensors Eurex derivatives based on the STOXX® indexes are in no way sponsored, endorsed, sold or promoted by STOXX and its licensors and neither STOXX nor its licensors shall have any liability with respect thereto. Bloomberg Commodity Index<sup>SM</sup> and any related sub-indexes are service marks of Bloomberg L.P. PCS® and Property Claim Services® are registered trademarks of ISO Services, Inc. Korea Exchange, KRX, KOSPI and KOSPI 200 are registered trademarks of Korea Exchange Inc. BSE and SENSEX are trademarks/service marks of Bombay Stock Exchange (BSE) and all rights accruing from the same, statutory or otherwise, wholly vest with BSE. Any violation of the above would constitute an offence under the laws of India and international treaties governing the same. The names of other companies and third party products may be trademarks or service marks of their respective owners.

Eurex Deutschland qualifies as manufacturer of packaged retail and insurance-based investment products (PRIIPs) under Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs Regulation), and provides key information documents (KIDs) covering PRIIPs traded on Eurex Deutschland on its website under the following link: <http://www.eurexexchange.com/exchange-en/resources/regulations/eu-regulations/priips-kids>.

In addition, according to Art. 14(1) PRIIPs Regulation the person advising on, or selling, a PRIIP shall provide the KID to retail investors free of charge.



Eurex Global Derivatives AG is not affiliated with Interactive Brokers LLC, or any other FINRA broker-dealer.



Eurex Contact:

Chih-Chao Feng (馮治超)

P: +852 2530 7082

M: +852 9133 3106

E: [Chih-chao.feng@euronext.com](mailto:Chih-chao.feng@euronext.com)

WhatsApp: +852 9133 3106

WeChat: chihchaofeng



GFM Contact

Tariq Dennison (德天睿)

<https://gfmasset.com>

Seeking Alpha: TARIQ DENNISON

[TDennison@gfmgrp.com](mailto:TDennison@gfmgrp.com)

Twitter: @QuantOfAsia

M +852 9476 2868