

## EURONEXT DERIVATIVES NOTICE

Paris Market

No. NO160111DE

Issue Date:

11 January 2016

Effective Date:

29 January 2016

### INTRODUCTION OF CAC 40 INDEX WEEKLY OPTIONS

#### Executive Summary

Euronext will add weekly option classes on the CAC 40<sup>®</sup> index on the Paris Derivatives Market and invites Members to apply for Liquidity Provider roles. The new weekly option classes will be available for trading as from Friday 29 January 2016.

#### 1. Introduction

- 1.1 Euronext Paris will introduce weekly option classes with an initial lifetime of two weeks on the CAC 40<sup>®</sup> index as from 29 January 2016. The weekly options will have the same standard contract specifications as the existing CAC 40 index options (option trading symbol: PXA); the only difference is their lifetime.
- 1.2 Four separate option classes will be introduced for the CAC 40 index weekly options. Each class will have a fixed last day of trading, this is either the first Friday of the month (option trading symbol: 1PX), the second Friday of the month (2PX), the fourth Friday of the month (4PX) or, when applicable, the fifth Friday of the month (5PX).
- 1.3 Weekly options will be available for trading as from the Friday two weeks prior to expiry. As a result of this each Friday a weekly option class will expire, except for the third Friday of the month when the standard option contract expires.

#### 2. Start of trading

- 2.1 On Friday 29 January 2016 Euronext Paris will make the 2PX class available for trading.
- 2.2 The contract specifications of the CAC 40 weekly option classes are shown in the attachment.

#### 3. Liquidity Provider information

- 3.1 Liquidity Providers in the standard CAC 40 index option class, both PLPs and CMMs, will be offered a Primary Market Maker (PMM) role in the CAC 40 weekly option classes. PLP and CMM roles for the CAC 40 weekly option classes will not be available. Participation in the CAC 40 weekly option classes will not be mandatory.

- 3.2 All PLP Target Group conditions as described in Euronext Info-Flash [IF150618DE 2](#), issued on 18 June 2015, will apply in full for the PMM role except PMMs will be required to cover all series available in the CAC 40 weekly option classes.
- 3.3 All weekly option classes will be included in the new Non-standard Index Options Group for performance calculation purposes.
- 3.4 The spread and size obligations for Liquidity Providers in the CAC 40 weekly option classes will be equal to the spread and size obligations of the short-term option series of the CAC 40 standard option class.
- 3.5 Liquidity Providers wishing to apply for a Liquidity Provider role in the CAC 40 weekly option classes should complete the Derivatives Liquidity Provider **Update Form**.
- 3.6 The Update Form is available on the [Euronext website](#) and should be sent to the Global Analytics department via email ([LPEurope@euronext.com](mailto:LPEurope@euronext.com)) by no later than the close of business on **26 January 2016**. Also, the applicant should provide two hard copies of the relevant completed form to Euronext for the attention of Global Analytics, 14 place des Reflets, 92054 Paris La Défense Cedex, France to be received no later than midday on **28 January 2016**.
- 3.7 Members are reminded that the appointment of each Liquidity Provider will be subject to a binding contract ("the Agreement") between the successful applicant and Euronext. The Agreement will consist of the Terms and Conditions as published on the [Euronext website](#), the Liquidity Provider Registration Form and, where appropriate, any Update Form. Furthermore, a successful applicant's status, and therefore the period for which the Liquidity Provider may receive financial benefits, may not be deemed to have commenced until the relevant Liquidity Provider Registration Form or Update Form is completed and confirmed by all parties. Please note that in terms of effectiveness, the date is confirmed in writing by Euronext.
- 3.8 In the event that any business which may rise to a benefit under the terms of this programme may also qualify as business undertaken by the Liquidity Provider giving rise to a benefit under any other Exchange liquidity provision, market making or other similar programme or arrangement, Euronext reserves the right in its absolute discretion to take one or more of the following actions:
- Withhold the credit of any further rebates otherwise due under the programme.
  - To re-charge some or all of the discounted transaction fees made under the programme.
  - To terminate the Agreement by notice to the parties with immediate effect.
- 3.9 For the full Liquidity Provider programme specifications please refer to the programme documents which are available on the [Euronext website](#).
- 3.10 Liquidity Providers with a role in the CAC 40 index option class will also be charged the Liquidity Provider exchange trading fee for CAC 40 weekly option classes, even if the member has no Liquidity Provider role in those weekly option classes.
- 4. Price Limits**
- 4.1 Price Limits for the CAC 40 weekly options will be equal to the Price Limits in the standard CAC 40 index option class.

For further information in relation to this Notice, contact your relationship manager at [ccc@euronext.com](mailto:ccc@euronext.com) or:

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Attachment

**CONTRACT SPECIFICATIONS FOR CAC 40 WEEKLY OPTIONS:**

<b>Trading symbol</b>	<b>1PX</b>
Contract size	Contract valued at € 10 per index point (e.g. value € 41,000 at 4,100.0)
Trading unit	10
Pricing unit	Euros per index point
Currency	Euro
Option price	Premium x trading unit
Minimum price movement (tick size and value)	€ 0.10 (€ 1 per contract)
Wholesale services	Large-in-Scale Facility (Block trade), AtomX (minimum size 250 contracts)
Trading hours	Central Order Book: 09:00 – 17:30 CET Large-in-Scale Facility (Block trade): 09:00 – 18:30 CET
Option style	European
Lifetime	From the penultimate Friday of the month until the first Friday of the next month. Should one of these Fridays not be a (full) business day, this day shall be replaced by the last (full) business day preceding this Friday.
Last day of trading	Trading ceases at 16:00 CET on the first Friday of the month. In the event that this day is not a (full) business day, the last day of trading shall normally be the last (full) business day preceding the first Friday of the month. In the event that this preceding business day falls within the preceding month, this weekly option will be part of the preceding month. The trading symbol of this weekly option class will get the next week number following the week number of the last Weekly option class. The Weekly option class with number 1 will be cancelled.
Settlement	Cash Settlement based on the EDSP
Exchange Delivery Settlement Price (EDSP)	Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price.
Clearing organization	LCH.Clearnet S.A.

<b>Trading symbol</b>	<b>2PX</b>
Contract size	Contract valued at € 10 per index point (e.g. value € 41,000 at 4,100.0)
Trading unit	10
Pricing unit	Euros per index point
Currency	Euro
Option price	Premium x trading unit
Minimum price movement (tick size and value)	€ 0.10 (€ 1 per contract)
Wholesale services	Large-in-Scale Facility (Block trade), AtomX (minimum size 250 contracts)
Trading hours	Central Order Book: 09:00 – 17:30 CET Large-in-Scale Facility (Block trade): 09:00 – 18:30 CET
Option style	European
Lifetime	From the last Friday of the month until the second Friday of the next month. Should one of these Fridays not be a (full) business day, this day shall be replaced by the last (full) business day preceding this Friday.
Last day of trading	Trading ceases at 16:00 CET on the second Friday of the month. In the event that this day is not a (full) business day, the last day of trading shall normally be the last (full) business day preceding the second Friday of the month.
Settlement	Cash Settlement based on the EDSP
Exchange Delivery Settlement Price (EDSP)	Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price.
Clearing organization	LCH.Clearnet S.A.

<b>Trading symbol</b>	<b>4PX</b>
Contract size	Contract valued at € 10 per index point (e.g. value € 41,000 at 4,100.0)
Trading unit	10
Pricing unit	Euros per index point
Currency	Euro
Option price	Premium x trading unit
Minimum price movement (tick size and value)	€ 0.10 (€ 1 per contract)
Wholesale services	Large-in-Scale Facility (Block trade), AtomX (minimum size 250 contracts)
Trading hours	Central Order Book: 09:00 – 17:30 CET Large-in-Scale Facility (Block trade): 09:00 – 18:30 CET
Option style	European
Lifetime	From the second Friday of the month until the fourth Friday of the month. Should one of these Fridays not be a (full) business day, this day shall be replaced by the last (full) business day preceding this Friday.
Last day of trading	Trading ceases at 16:00 CET on the fourth Friday of the month. In the event that this day is not a (full) business day, the last day of trading shall normally be the last (full) business day preceding the fourth Friday of the month.
Settlement	Cash Settlement based on the EDSP
Exchange Delivery Settlement Price (EDSP)	Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price.
Clearing organization	LCH.Clearnet S.A.

<b>Trading symbol</b>	<b>5PX</b>
Contract size	Contract valued at € 10 per index point (e.g. value € 41,000 at 4,100.0)
Trading unit	10
Pricing unit	Euros per index point
Currency	Euro
Option price	Premium x trading unit
Minimum price movement (tick size and value)	€ 0.10 (€ 1 per contract)
Wholesale services	Large-in-Scale Facility (Block trade), AtomX (minimum size 250 contracts)
Trading hours	Central Order Book: 09:00 – 17:30 CET Large-in-Scale Facility (Block trade): 09:00 – 18:30 CET
Option style	European
Lifetime	From the third Friday of the month until the fifth Friday of the month. Should one of these Fridays not be a (full) business day, this day shall be replaced by the last (full) business day preceding this Friday.
Last day of trading	Trading ceases at 16:00 CET on the fifth Friday of the month. In the event that this day is not a (full) business day, the last day of trading shall normally be the last (full) business day preceding the fifth Friday of the month.
Settlement	Cash Settlement based on the EDSP
Exchange Delivery Settlement Price (EDSP)	Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price.
Clearing organization	LCH.Clearnet S.A.