

EURONEXT DERIVATIVES NOTICE

Amsterdam Market

No. NO180925DE

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1 October 2018

INTRODUCTION OF TOTAL RETURN FUTURES ON CAC 40® INDEX

Executive Summary

This Notice informs Members of the introduction of Total Return Futures on CAC 40® Index on the Paris Derivatives Market on 1 October 2018.

1. Introduction

Euronext intends to launch Total Return Futures on CAC 40® Index on the Paris Derivatives Market on **1 October 2018**:

| | Trading symbol | Name | Relevant Exchange |
|---|----------------|---------------------------------------|-------------------|
| 1 | FCS | Total Return Futures on CAC 40® Index | Euronext Paris |

A total return future is a listed contract which replicates the economics of a total return swap. Being traded on-exchange, the contract offers centralised order book and central clearing. It is a solution to the increased capital requirements, allowing new investors to access implied equity repo as a new asset class.

The basic economics of a Total Return Futures contract include four elements, where the Synthetic Index price is publicly available and the Total Return Future Spread is quoted/agreed by market participants, with on-screen transparency.

The contract is tradable via two modes of trading: 1) Trade at Index Close (TAIC) with an index level based on the daily CAC 40® Index close and 2) Trade at Market (TAM) with a custom-defined index level. The full contract specifications are set out in attachment 1.

2. Market Maker information

The obligations and benefits for Market Makers are described in the Info Flash of [24 September 2018](#), as well as published on the [Euronext website](#).

Qualifying Members wishing to apply for a Market Maker role should complete the online Market Making Registration Form available on our Connect2 portal at connect2.euronext.com. By submitting the Market Making Registration Form the member will confirm the Market Making Agreement. The [Market Making Agreement](#), as published on the Euronext website will consist of the following:

- Market Making General Terms and Conditions.
- Market Making Operational Terms.
- Market Making Registration Form and, where appropriate, any Update Form.

For more information related to MM registrations, please contact MCC@euronext.com.

3. Documentation

Details on the technical specifications for the Total Return Futures on CAC 40® Index are available on the Euronext website as follows:

1.1 Resources > IT documentation > Market Data > TECHNICAL DOCUMENTATION

<https://www.euronext.com/it-documentation/market-data>

1.1.1 Euronext Derivatives Markets – Optiq MDG Client Specifications – v1.5.1 – Future version

1.1.2 Euronext Derivatives – UTP to Optiq MDG Transition Kinematics Specifications – v1.5.0

1.1.3 TRF Conversion Parameters Files Specifications – v1.4

1.2 Technology Solutions > Optiq > Optiq Phase 2 technical documentation > Optiq Phase 2 File specifications <https://www.euronext.com/en/optiq/documentation>

1.2.1 Euronext Cash and Derivatives Markets Optiq file specifications – v2.0.2 – Future version

1.3 Resources > IT documentation > Order Entry > TECHNICAL DOCUMENTATION > Derivatives

www.euronext.com/connectivity/it-documentation/order-entry

1.3.1 Euronext Derivatives Markets – UTP Developer Guidelines v1.2

1.3.2 CCG Binary Client Specifications

1.3.3 CCG FIX 5.0 Client Specifications

1.3.4 CCG Error List – v1.11.0 – MiFID II release

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

Euronext Market Services: www.euronext.com/services-support

Tel. (calling from): France +33 1 8514 8585; The Netherlands +31 20 721 9585; UK +44 20 7660 8585; Belgium +32 2 620 0585; Portugal +351 2 1060 8585

Membership (Onboarding & Client Administration): EuronextMembership@euronext.com

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Attachment 1

The contract specifications for Total Return Futures on CAC 40® Index are as follows:

| | |
|---|---|
| Contract name | Total Return Future on CAC 40® index |
| Contract code | FCS |
| Euronext Derivative Market | Paris |
| Underlying indices | CAC 40® Index, CAC 40® Cumulative Dividend Index and CAC 40® Funding Index (combined as CAC 40® Synthetic Dividend Index) |
| Contract multiplier (contract size) | €10 per index point (e.g. value €41,000 at 4,100.0) |
| Minimum TRF Spread | +/- 0.5 bps (1 basis point = 0.0001) |
| Quotation TRF Spread (basis points) | TRF spread as annualised rate expressed in basis points with one decimal (+/-/0) |
| Order types | <ul style="list-style-type: none"> ▪ Trade at Index Close (TAIC) with an index level based on the daily CAC 40® Index close ▪ Trade at Market (TAM) with a custom-defined index level. |
| Trading hours | Central Order Book (TAIC): 08:00 - 17:30 CET Wholesale (TAIC & TAM): 07:00 - 18:30 CET |
| Accrued distributions and accrued funding (index points) | The distribution and funding rate payments will be accumulated from the index launch and added to the TRF futures price in index points. The daily changes in distributions and funding payments are paid out via variation margin. |
| Wholesale service | Large-in-Scale |
| Maturities/tenor | Up to five years and three months – the 21 nearest quarterly months of the March, June, September and December cycle. |
| Expiry date | The third Friday of the expiry month in the March, June, September, December cycle. If the third Friday is not an exchange trading day, then the expiry date will be the trading day immediately preceding that day |
| Time convention | Actual/360 |
| Daily Settlement TRF Spread (basis points) | Daily Settlement TRF spread in bps for each maturity is decided by: <ol style="list-style-type: none"> (1) VWAP of all trades in last 30 mins (2) if no trade during this time period, then the mid-BBO |

The Euronext Markets comprise the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Dublin, Euronext Lisbon, Euronext London and Euronext Paris, referred to respectively as the Amsterdam, Brussels, Dublin, Lisbon, London and Paris markets, as relevant. Euronext refers to Euronext N.V. and its affiliates.

| | |
|--|--|
| | at the closing time is used (3) if no BBO available then the previous Daily Settlement Basis is used. |
| Daily Settlement Price (Index Points) | Established on the current exchange trading day based on the following components: Close CAC, Daily Settlement Basis, Accumulated Dividend Index and Accumulated Funding Index |
| Settlement | Cash settlement, due on the first exchange trading day after final settlement day |
| Last trading day | The Euronext exchange trading day immediately preceding the expiration day |
| Final settlement price (index points) | Established on expiry day and based on the following components: final settlement price of all CAC 40® Index Futures (CAC), accrued distributions and accrued funding from the product launch until the expiry date. |
| Minimum size for Large-in-Scale trade | 10 lots |
| Vendor code | Bloomberg: TRCA <Index> Reuters: 0#FSC |