

EURONEXT DERIVATIVES NOTICE

Paris Market

No. NO190603DE

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6 June 2019

INTRODUCTION OF EURONEXT PARIS REAL ESTATE FUTURES CONTRACT

Executive Summary

This Notice informs Members of the introduction of a new futures contract on Paris Real Estate on the Euronext Paris Derivatives Market on Thursday 6 June 2019.

1. Introduction

Euronext intends to launch a new Paris Real Estate futures contract on the Paris Derivatives Market on **6 June 2019**:

Exchange	Type	Code	Name	Lot size	Currency code	Settlement method
J	F	PRE	Paris Real Estate	1	EUR	Cash

The Paris Real Estate futures contract is a listed contract, based on the Paris residential property index, PARISSQM. Being traded on-exchange, this new futures contract will form an innovative, alternative solution for investors seeking exposure to the Paris real estate market without the constraints of physical investment.

2. About the PARISSQM index

This new futures contract is based on PARISSQM, a new benchmark-compliant index developed by Compass Financial Technologies and Kalstone. The PARISSQM index price is publicly available since April 2018. It is designed to provide a responsive and consistent benchmark for transacted prices in the Paris residential real estate market and is the first investable index to replicate the evolution of Paris real estate housing prices

For more information on the underlying index, please go to compassft.com/parissqm

Tickers for the index:

- Bloomberg: PARISSQM
- Reuters: .PARISSQM

3. Benefits to clients

Identified by the contract code PRE, and with 1 contract representing 1 square metre (m²), this new futures contract will offer:

- Accurate exposure to the real estate market, expressed in euros per square metre;
- Hedging of portfolio price risk and development of an efficient strategy to diversify property or trading portfolios;
- Financial leverage and flexibility: eliminate the constraints of a physical investment, with much lower capital requirements;
- Transparency and accessibility: investors benefit from the central order book and counterparty risk mitigation through LCH SA.

4. Fee holiday

To support the launch, Euronext and LCH SA are offering a full trading and clearing fee holiday incentive to all participants on this new product (instead of €3 / lot) for the first three months following the launch.

5. Liquidity Provider information

The obligations and benefits for Liquidity Providers (LPs) on the Paris Real Estate LP Programme are described in the Info Flash of [3 June 2019](#).

- This Programme is open to both Euronext members and non-members.
- Applicants for this Liquidity Provider Programme should enter into the relevant Euronext Liquidity Provider Agreement by completing the Liquidity Provider Registration Form, thereby confirming their understanding and acceptance of the Terms and Conditions.
- For the Registration Form and the Terms and Conditions, applicants should contact MCC@euronext.com.
- This Programme will start at the go-live date of the futures contract and will be active for 12 months, and renewable at Euronext discretion.
- The LP activity will be monitored by Euronext and the performance of participants will be assessed per day, averaged on a calendar month.
- The monitoring of the 3 best performing participants will be done based on the highest presence time and size per day, and tightest spread

6. Documentation

The Paris Real Estate futures contract specifications are available at: www.euronext.com/real-estate-futures

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

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APPENDIX: PARIS REAL ESTATE FUTURES CONTRACT SPECIFICATIONS

Contract name	Paris Real Estate futures contract
Contract code	PRE
Euronext Derivatives Market	Paris
Underlying index	PARISSQM
Unit of trading	1 contract = 1m ² (approx. €9,800 exposure)
Expiry months	Quarterly (March, June, Sep, Dec) for year 1, then 2 year (Dec), 3 year (Dec)
Minimum price movement	Central Order Book, Basis Trade & Large-in-Scale Facility: 1 index point (€1 per contract)
Last trading day	Trading ceases at 17:30 CET on the day preceding the Expiry Day. In the event that this is not a business day, the Last Trading Day (usually a Thursday) shall be on the business day immediately preceding that day.
Settlement	Cash Settlement based on the EDSP
Expiry day	The Expiry Day corresponds to the last publication date of the PARISSQM index in the expiry month (usually a Friday).
Exchange Delivery Settlement Price (EDSP)	The settlement price is the value of underlying index PARISSQM on Expiry Day.
Wholesale services (minimum trade size)	Large-in-Scale Facility (25)
Clearing organisation	LCH SA
Trading hours	09:00 CET – 17:30 CET
Transaction fees	€3 per contract (€2.30 trading, €0.70 clearing)
Tickers	<ul style="list-style-type: none"> ■ Bloomberg: PQIA <index> ■ Reuters: 0#PREE: ■ CQG: PRE ■ TT: jPRE