

Euronext Eurozone Banks Dividend Index Future

**01**

Euronext's commitment

- Leveraging on its recent breakthrough in the delta 1 space, and notably its developments in the single stock futures and dividend futures space, Euronext is taking a step further to expand its product range by offering investors an alternative to access the Eurozone banking sector.
- Euronext believes in win-win strategies, and as such is committed to implement **added-value solutions** with **a fair cost structure**. The Euronext Eurozone Banks Dividend Index Future has been **codesigned** with markets players to offer an easy access to block trades while focusing at implementing reasonable transactions fees combined with clearing efficiencies.
- On-screen liquidity is provided by global leading market makers and off-screen liquidity is offered by all the main counterparties.
- The index, while maintaining a high correlation and a low tracking error, is offering a 20% capping to suit to the needs of end investors.

Euronext Eurozone Banks Dividend Index Future vs. competition



~75% cheaper



Higher nominal value (x6 bigger)



Calibrated tick size



Lower block size (3 lots, approx. €45k)



Same EDSP methodology

Supported by global leading market makers



Contract key competitive advantages

Matching investors' needs

Contract specifications
codesigned with market
participants

- **Bigger nominal value:**
the Euronext Eurozone Banks Dividend Index Future nominal value is six-times bigger to enable market participants to generate strong economies at the clearing level.
- **More accessible block trades:**
the minimum block size is significantly lower (3 lots, approx. €45k) and offer finer tick size.
- **Expiry Daily Settlement Price:**
the EDSP is based on the same methodology and timing to allow consistency.

Attractive contract specifications		
Comparison (index level on 10/12/2019)	Eurozone Banks Dividend Future	Competition
Index Level (1)	30	5
Unit of trading (2)	500	500
Contract size (1) x (2)	€15k	€2.5k
Tick size on-screen	0.05 index point (16 bps / €25)	0.01 index point (20 bps / €5)
Tick size off-screen	0.0001 index point (0.03 bps / €0.05)	
Minimum block size	3 lots (€45k)	50 lots (€125k)
Exchange Delivery Settlement Price (EDSP)	Same for both - the arithmetic mean of all index values disseminated on Reuters between 11:50 and 12:00 CET	

Fair cost structure for all market participants

A yield adapted to the
contract size

- The Euronext Eurozone Banks Dividend Index Future pricing combines two strong advantages:
 - **Lower transaction fees: 75% less expensive** compared to competition
 - **Higher nominal value:** further strong economies at the clearing level (Euronext nominal value is six-times bigger)

Euronext Eurozone Banks Dividend Index Future/Competition						
Total transaction fees						
Euronext Eurozone Banks Dividend Index Future						
Trading + Clearing fee	On-book			Off-book		
	Client	House	MM	Client	House	MM
	1.20 bps (€ 1.80 per lot)	1.20 bps (€ 1.8 per lot)	0.60 bps (€ 0.9 per lot)	1.8 bps (€ 2.7 per lot)	1.8 bps (€ 2.7 per lot)	0.93 bps (€ 1.4 per lot)
Competition						
Trading + Clearing fee	On-book			Off-book		
	Client	House	MM*	Client	House	MM*
	4.80 bps (€ 1.2 per lot)	4.80 bps (€ 1.2 per lot)	4.80 bps (€ 1.2 per lot)	7.20 bps (€ 1.8 per lot)	7.20 bps (€ 1.8 per lot)	7.20 bps (€ 1.8 per lot)
Diff. in %	-75%	-75%	-88%	-75%	-75%	-87%

*Marker makers no longer
benefit from rebates on the
competitive offering

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Contract specifications

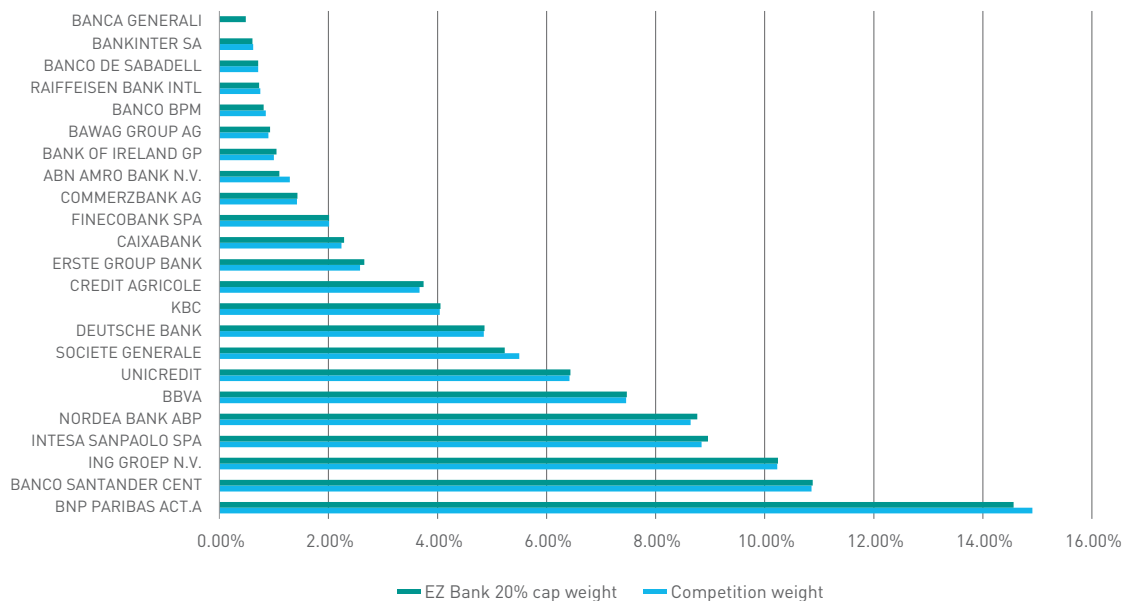
Euronext Eurozone Banks Dividend Index Futures	
Exchange contract code	EBD
Contract size	Contract valued at € 500 per index point (e.g. value € 10,000 at 20.00)
Unit of trading	500
Pricing unit/quotation	Index points (e.g. 20.0)
Minimum price movement (tick size and value)	Central Order Book: 0.05 index point (€25 per contract) Large-in-Scale Facility: 0.0001 index point (€0.05 per contract)
Expiry months	3, 6, 9, 12, 15, 18, 21, 24 months quarterly (of the March, June, September, December cycle); 36, 48, and 60 months yearly (of the December cycle)
Introduction of new expiry months	New expiry months are available for trading on the first business day after the expiry of a maturity.
Wholesale services	Large-in-Scale Facility. See the "LIS thresholds" document for the minimum size thresholds.
Minimum block size	3 lots
Euronext market	Paris
Last trading day	Trading ceases at 12:00 CET on the third Friday of the delivery month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday.
Settlement	Cash Settlement based on the EDSP
Settlement day	First business day after the Last Trading Day
Exchange Delivery Settlement Price (EDSP)	The settlement value of the Euronext Eurozone Banks Dividend Index as published at 12:00 (CET) on the third Friday of the delivery month, rounded to two decimal places.
Clearing organization	LCH S.A.
Trading hours	Central Order Book: 09:00 - 18:30 CET Large-in-Scale Facility: 07:15 - 18:30 CET
Trading platform	Optiq
Algorithm	Central order book applies a price-time trading algorithm with priority given to the first order at the best price.
Vendor codes - Dividend Future	Bloomberg: DUYA Index Refinitiv: 0#EBD:

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Euronext Eurozone Banks Index comparison

Euronext Eurozone Banks Index vs competition (as of 30/12/2021)

Index components comparison

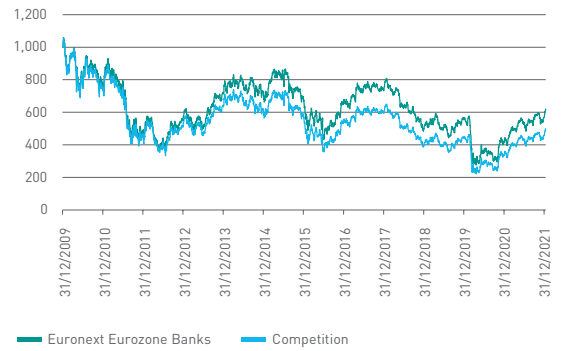


Technical comparison with competition

Tracking error with competition



Time series vs competition



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