



# DIVIDEND DERIVATIVES: PLAY THE DIVIDEND FIELD WITH EURONEXT

EURONEXT SINGLE STOCK DIVIDEND FUTURES: THE WIDEST  
CHOICE OF CONTRACTS



September 2019

# EURONEXT SSDFs: THE WIDEST CHOICE OF CONTRACTS

## 1<sup>st</sup> Dividend Exchange by number of contracts

- Euronext began developing the range in January 2015 and regularly issues contracts to **satisfy the needs of end-users**
- We have nearly **300 SSDF** contracts tradable with the most diversified underlyings from across Europe and the USA.
- Investors can access dividend contracts on new underlyings, as a total of **117 SSDFs are only available at Euronext exclusively.**

## Number of contracts per country of underlying

Underlyings	Number of SSDFs	Number of SSDFs only on Euronext
Italy	24	11
Germany	27	0
Netherlands	23	9
Belgium	15	14
Portugal	3	3
France	47	7
Ireland	1	0
UK	36	10
Spain	22	10
USA	57	36
Finland	7	2
Sweden	13	12
Norway	2	2
Switzerland	18	0
Austria	1	1

# INTRODUCTION OF SEMI-ANNUAL MATURITIES

Euronext introduced semi-annual maturities on a range of Single Stock Dividend Futures listed on the Paris Derivatives Market, which offer new trading opportunities to market participants by helping them target dividend distributions more accurately on most traded names (see below).

For these underlyings, the maturities available are 6, 12, 18, 24, 30, 36, 42, 48, 54 and 60 months.

	UNDERLYING	ISIN CODE	TRADING SYMBOL
1	Sanofi	FR0000120578	SA8
2	BNP Paribas	FR0000131104	BN8
3	AXA	FR0000120628	CS8
4	Air Liquide	FR0000120073	AI8
5	Orange SA	FR0000133308	FT8
6	Vinci SA	FR0000133308	DG8
7	LVMH	FR0000121014	MC8
8	ENGIE	FR0010208488	GA8
9	Credit Agricole SA	FR0000045072	CR8
10	L'Oreal SA	FR0000120321	OR8
11	Total SA	FR0000120271	TO8
12	Michelin	FR0000121261	ML8
13	Societe Generale SA	FR0000130809	GL8
14	Vivendi SA	FR0000127771	EX8
15	Renault SA	FR0000131906	RN8

# COMPETITIVE OFFERING

✓ Competitive pricing: 50 to 90% less expensive!

EUREX		Trading + Clearing fee (in € per lot)		EURONEXT	Trading + Clearing fee (in € per lot) Client/House account	
Dividend group	Regular fee	Off-book (block)	Dividend group	Regular fee	Off-book (block)	
< 0.15	1	1.50	< 0.50	1	1.5	
0.15 – 0.29	2	3				
0.30 – 0.44	5	7.50	0.50 – 0.99	4	6	
0.45 – 0.74	9	13.50				
≥ 0.75	12	18	≥ 1	6	9	

\*Euronext clearing fee is €0.50 per contract.

✓ Transparent corporate action rules

Available at:

[derivatives.euronext.com/single-stock-dividend-futures](https://derivatives.euronext.com/single-stock-dividend-futures)

✓ Higher multiplier

Access contracts with a

**10,000 multiplier,**

which corresponds to the dividends attached to 10,000 shares...

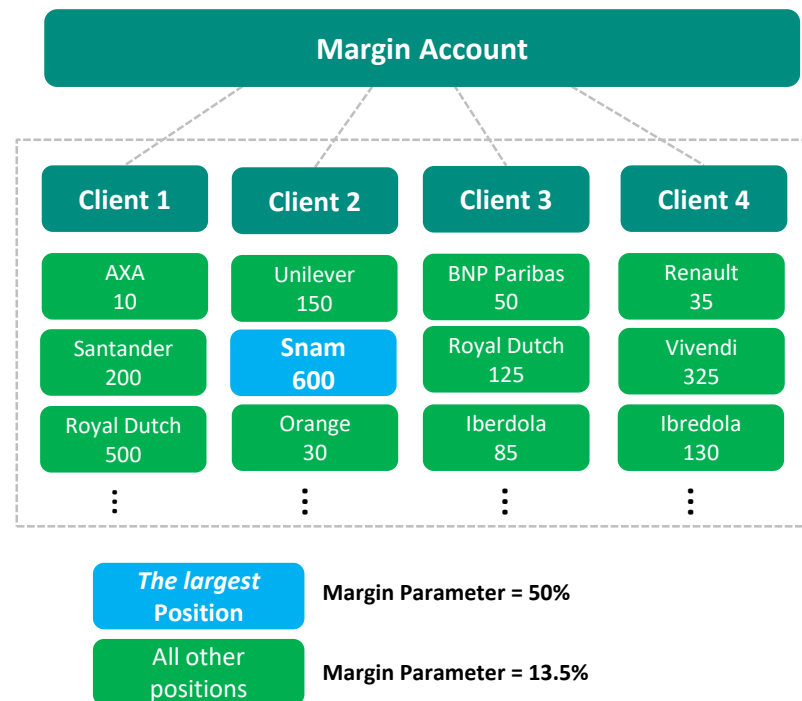
... and then benefit from clearing efficiencies

# ENHANCED MARGIN FRAMEWORK FOR SSDFs

*Innovative portfolio approach aiming at reducing capital costs in investing in dividends*

## Enhanced Margin Framework for Single Stock Dividend Futures (SSDFs)

- Since January 2016, a **unique level of initial margin** is applied to SSDF contracts and set at **13.5%**
- Only the **largest position** at the Margin Account level within your clearer will be set at 50%

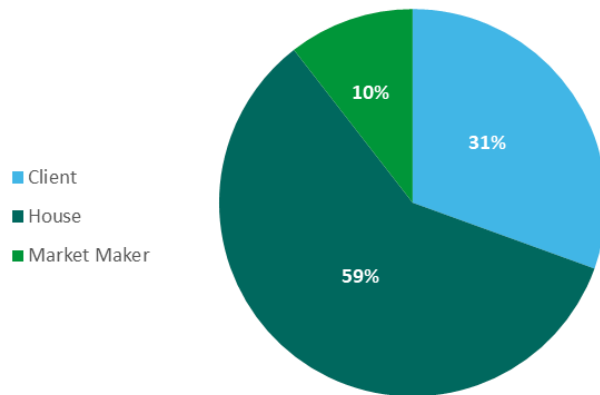


# A GROWING FRANCHISE

## Top 15 most traded contracts *since launch*\*

SSDF	Volume	Country	Only available on Euronext
SNAM	26,920	IT	
PEUGEOT SA	8,084	FR	
SUEZ	5,244	FR	
MEDIOBANCA	4,016	IT	√
BP	4,000	UK	
CREDIT AGRICOLE SA	3,590	FR	
NORDEA BANK ABP	3,482	SW	
ATLANTIA SPA	3,404	IT	
VIVENDI SA	3,362	FR	
FORTUM OYJ	3,248	FI	
ENGIE	2,362	FR	
FIAT CHRYSLER AUTOMOBILES	2,154	IT	
REPSOL SA	1,950	SP	
CASINO GUICHARD PERRACHON SA	1,926	FR	
TECHNIPFMC	1,896	FR	

295 different contracts from  
15 different countries with open  
interest on 64 different contracts



Since launch, **31%** of flow has come  
from **Client** accounts

# WHAT OUR CLIENTS SAY

## McKinley Capital Management

*Martino Boffa – Director of Investments, Alternative Structures*

The McKinley Capital Growth Fund has invested in Single Stock Dividend Futures since their first introduction in Europe; it has invested in Euronext's new contracts which provide a wider opportunity set, at a competitive rate.



## BNP Paribas

*Nicolas Certner – Equity Derivatives Trader*

BNP Paribas, pioneer in dividend trading, is proud to work closely with Euronext on the development of their outstanding single stock dividend future suite. Euronext has taken the path of providing a wide product range, offering more transparency, better liquidity and aggressive pricing. BNP Paribas, acting as market maker on the single stock dividend futures, is directly contributing to Euronext's success.



## BTG Pactual

*Benjamin Clerget – Associate Partner and Portfolio Manager*

GEMM, BTG Pactual's main Hedge Fund, invests in dividend futures as a diversified source of alpha generation. Euronext has already offered more price transparency, liquidity and competitive pricing. We target to grow our market share with Euronext alongside the global development of the dividend futures market.



# WHAT OUR CLIENTS SAY

## Melanion Capital

*Jad Comair - Founder & CIO*

Euronext's impressive issuing of more than 200 dividend futures shows they are clearly committed to the development of this product range that is innovative and complementary with their existing products. Record volumes seen this year on contracts like the CAC 40 dividend index future show that their clients are clearly following them on this path, and the best is yet to come!



## Societe Generale

*Massimiliano Pignatelli - Head of European Forward Trading*

Our leading market share on Euronext single stock futures franchise translates our commitment to the success of this attractive product range, as a key player on Euronext we do believe in the future of this alternative solution for dividend investments.



## Laffite Capital Management

*Arnaud Yvinec - Managing Partner*

Thanks to the CAC 40 Dividend Future's strong liquidity and to Euronext's coverage of all its components at the single name level, it is now easier to invest in French companies' dividends. We are hence able to seize new arbitrage opportunities which represents a concrete added value.





# CONTRACT SPECIFICATIONS

Contract size	Dividend payments in relation to a contract size of 10,000 shares
Unit of trading	10,000
Pricing unit/quotation	EUR/USD/CHF/GBX/NOK/SEK per share
Minimum price movement (tick size and value)	EUR/USD/CHF/NOK/SEK 0.0001 (EUR/USD/CHF/NOK/SEK 1.00 per contract) GBX 0.01 (GBX 100.00 per contract)
Expiry months	6, 12, 18, 24, 30, 36, 42, 48, 54 and 60 months (of the December cycle for non-US underlyings with annual expiries; of the June-December cycle for non-US underlyings with semi-annual expiries; of the January cycle for all US underlyings)
Introduction of new delivery months	New delivery months are available for trading on the first business day after the expiry of a maturity
Wholesale services	Large-in-Scale Facility, Minimum trade size is 10 lots for wholesale services.
Trading hours	Central Order Book 09:00 – 17:30 CET Large-in-Scale Facility 07:00 – 18:30 CET
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
Exchange Delivery Settlement Price (EDSP)	The final settlement value as established by Euronext at 12:00 (CET) on the third Friday of the delivery month, determined to four decimal places. The final settlement value is equal to the cumulative value of ordinary gross dividends declared by the company.
Clearing organisation	LCH S.A.

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