Exchange New Product News

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EUREX WINS AWARD FOR BEST TRADING VENUE — DERIVATIVES

Eurex, the world's largest derivatives exchange, has been voted Best Trading Venue — Derivatives, at *Financial News*' fourth annual Awards for Excellence in IT— Europe 2006.

The award for Best Trading Venue — Derivatives was awarded by a distinguished panel of industry experts and recognises excellence in technology operations. Runners-up included Euronext.Liffe and Thomson TradeWeb.

The total number of quotes on Eurex increased from an average of approximately 38 million per day in 2005 to 120 million per day in 2006, with peaks of 230 million. This translates to an average of 6,000–7,000 quotes per second across the entire system.

FIVE NEW iSHARES ETFs LAUNCHED IN THE XTF SEGMENT ON XETRA: DEUTSCHE BÖRSE IS EUROPE'S LARGEST ETF PLATFORM

Deutsche Börse has further expanded its XTF segment for international exchange-traded index funds (ETFs) on the electronic trading platform Xetra. With effect from 5th September, five more ETFs issued by Barclays Global Investors (BGI) are tradable in XTF. The new index funds provide investors with the opportunity to diversify their securities accounts in geographical

terms and to invest in international government bonds at low cost.

The iShares MSCI Europe ex-UK (ISIN: DE000A0J2094) offers investors exposure to around 400 non-UK stocks across Europe. The iShares DJ Asia/Pacific Select Dividend (ISIN: DE000A0J2086) is based on the DJ Asia Pacific Select Dividend index, which tracks the top 30 stocks from Australia, New Zealand, Japan, Hong Kong and Singapore. The iShares MSCI North America (ISIN: DE000A0J2060) is based on the MSCI North America index, which is free-float adjusted and weighted according to market capitalisation, and currently includes around 665 US and Canadian companies. The iShares € Government Bond 1–3 (ISIN: DE000A0J21A7) offers investors exposure to European bond funds with maturities between 1.25 and 3 years, while the iShares \$ Treasury Bond 1–3 (ISIN: DE000A0J2078) facilitates investment in US government bonds with maturities between 1.25 and 3.5 years.

A total of 146 index funds are currently listed in Deutsche Börse's XTF segment, 69 of which were included in the segment since the beginning of 2006. Deutsche Börse's XTF segment accounts for around 50 per cent of the total European trading volume in exchange-traded funds. XTF also offers the most listed ETFs of all European stock exchanges, and is thus Europe's leading marketplace for ETF trading.

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SECOND STRONGEST TRADING MONTH ON EUREX WITH 153 MILLION CONTRACTS

Eurex reported that June was the second strongest trading month on Eurex ever. A total of 153 million contracts were traded on Eurex in June, an increase of 22 per cent on the previous year (June 2005: 126 million contracts) and the heaviest trading month after the record month of May 2006 (174 million contracts).

Trading volumes in the first six months of the year have reached 824, an increase of 29 per cent on the same period in 2005. The average daily trading volume at Eurex currently stands at approximately seven million contracts.

In June, the equity-based derivatives segment was the strongest at Eurex, with 86 million contracts traded, an increase of 67 per cent on the previous year. Of these, a record 60.4 million contracts were based on equity index derivatives and a further 25.6 million on equity derivatives (equity options and single stock futures). For the first time, the Dow Jones EURO STOXX 50 index future was the most heavily traded product at Eurex with 29.8 million contracts, an increase of 110 per cent on the previous year. New monthly volume records were also set in the Dow Jones EURO STOXX 50 option (16.5 million contracts, up 120 per cent on the previous year) and the future on the German benchmark index DAX (4.7 million contracts, up 60 per cent on June 2005).

A total of 67.1 million contracts were traded in the fixed income derivatives segment, compared to 74.4 million contracts in June 2005. Approximately 29.2 million contracts were traded in the Euro-Bund Future, 16.2 million contracts were traded in the Euro-Bobl Future and 15.1 million

contracts were traded in the Euro-Schatz Future.

Approximately €12.9 billion (single counting) was traded in June on the electronic trading platform Eurex Bonds, which rounds out Eurex's fixed-income product range. This represents an increase of 8 per cent on the previous month (May 2006: €11.95 billion).

€444 BILLION TURNOVER ON GERMAN EXCHANGES IN JUNE

Trading volume on all German stock exchanges rose 32.6 per cent to €444.2 billion (June 2005: €334.9 billion) in June 2006.

Based on the orderbook statistics, including trades in the Xetra orderbook and specialist supported floor trading, trading on all German stock exchanges was up 45 per cent, reaching €172.8 billion compared with €118.6 billion in the corresponding month last year. Orderbook trading in German stocks represented €150.9 billion with €9.6 billion trading in foreign stocks. In June, around 9.6 million trades were executed on Xetra.

June 2006 was the first full month since the launch of a dedicated fund trading segment for retail investors on the Frankfurt Stock Exchange with a trading volume of €249 million. Deutsche Börse's average market share of on-exchange mutual fund trading in June represented 22.3 per cent of trading on all German exchanges. During this month, a peak daily market share of 33 per cent was reached.

According to the Xetra liquidity measure (XLM), Schering was the most liquid DAX[®] stock with 3 bp for an order volume of €100,000. Puma was the most liquid MDAX[®] stock with 19 bp. The most liquid equity-based ETF was the Lyxor DAX[®] ETF with 5 bp. The

most liquid foreign stock was Royal Dutch with 12 bp. XLM is a measure of liquidity in electronic securities trading based on the implicit transaction costs and is calculated for securities in continuous trading in basis points (1 bp = 0.01 per cent) for a roundtrip in the Xetra order book.

Deutsche Bank was the most actively traded DAX[®] stock on Xetra in June at €10.6 billion. Merck was the top MDAX[®] stock at €1.0 billion, while Sixt led the SDAX[®] at €72.9 million and Solarworld headed the TecDAX[®] at €899.6 million. At €2.7 billion, the DAX EX was once again the exchange-traded fund with the largest turnover.

EUREX BONDS EXTENDS PRODUCT RANGE WITH NEW EUROPEAN GOVERNMENT BONDS

The international trading platform Eurex Bonds will extend the range of products in its European government bond segment. On 3rd July, Eurex Bonds will list 35 government bonds from Belgium, Finland, France, Greece, Ireland, Portugal and Spain. Furthermore, the introduction of Italian government bonds is planned for August 2006.

The extension of the product range is the result of market demand and follows a new benchmark concept that focuses on the most liquid bonds of each country in the maturity buckets 3.5–6.5 years and 6.5–13.5 years (at the issue date). The European government bond segment started in June 2005 with Austrian government bonds and Dutch State Loans. In addition, German government bonds have been listed on Eurex Bonds since the launch of the platform in October 2000. All instruments on Eurex Bonds are cleared

through Eurex Clearing's Central Counterparty (CCP).

Trading volumes on Eurex Bonds in May reached €11.95 billion (single counted), an increase of 7 per cent on the previous year. Average monthly volume on Eurex Bonds currently stands at €12.02 billion. Eurex Bonds has a total of 32 active participants, including the German Finance Agency and the German Bundesbank. Interest by global participants continues to grow and a further two market participants are currently in the admission process.

SIGNIFICANT ENHANCEMENTS TO SYDNEY FUTURES EXCHANGE SPI 200[™] FUTURES AND OPTIONS

The Sydney Futures Exchange (SFE) has announced the addition of serial futures to the SPI product suite. As from 1st September, 2006, two serial month futures are available at all times in addition to the six quarterly expiry months (March, June, September and December) currently available.

Also, the expiry of serial month options will be aligned to the expiry of the serial month futures so that both serial month futures and options expire on the third Thursday of the settlement month at 12:00pm.

The listing of serial month SFE SPI 200[™] Futures and alignment of serial month SFE SPI 200[™] Options to the respective serial month SFE SPI 200[™] Futures will bring a number of benefits to users. For instance;

- Additional futures expiry months will allow hedgers to select the month that best fits their investment time frame, thereby reducing basis risk.

- ‘In-the-money’ serial month option positions taken to expiry will receive a cash settled future that expires at the same time as the option. This means that serial month options will be effectively cash settled. This allows for easier administration of serial option positions taken to expiry compared to the current process where ‘in-the-money’ serial month option positions receive a futures’ position in the next financial quarter month.
- *Removal of Pin Risk:* Writers of serial options will no longer incur risks associated with serial SFE SPI 200™ Futures closing at the strike price on expiration. For example, uncertainty as to whether an option will be exercised by the holder.

September 2005. Similar to the previous records, the September volumes coincided with the quarterly benchmark expiry of the equity and interest rate futures contracts. However, unlike the previous records, there were no notable market events driving trading activity. Instead, growth in trading volumes was the result of ‘rolling’ open interest and natural market usage.

In addition to record exchange volumes, new records were also achieved in the 3-Year Treasury Bond Futures and Options contracts, the 10-Year Treasury Bond Futures, the SPI 200 Futures, the New Zealand Bank Bill Futures and Electricity Futures contracts. (Table 1).

Open Interest for all exchange contracts reached 2.1 million contracts at the end of March 2006, an increase of 23 per cent compared to March 2005.

RECORD VOLUMES ON SFE

The SFE experienced the largest monthly transacted volume in its history in March with 8.74 million contracts traded. This represents an increase of 43 per cent from the comparable period in 2005 and an increase of 12 per cent from the previous record of 7,821,500 set in

EQUIFAX BRINGS DIGITAL CERTIFICATES TO ONLINE LENDING MARKET

Equifax, the leading consumer credit information and identity verification service provider, has launched its SecureMark Digital

Table 1: New records achieved

<i>Product</i>	<i>Volume March 2006</i>	<i>% Increase/ March 2005</i>	<i>% Increase/ previous record</i>	<i>Previous record date</i>
3-Year Bond Futures	3,435,323	41.4	12	September 2005
10-Year Bond Futures	2,052,681	53.8	26	September 2005
SPI 200 Index Futures	847,227	9.7	5.2	September 2005
NZ Bank Bill Futures	225,379	107.3	23.8	June 1998
3-Year Bond Option	139,347	588	65.9	April 2005
Electricity Futures	3,730	276	2.6	February 2006
Total exchange	8,744,397	43	12	September 2005

Certificate service for the online lending market, revolutionising the way lenders process credit applications and acquire new customers online.

Recent changes to the Consumer Credit Act allow the use of digital certificates to sign credit applications online. Equifax is now providing lenders and other organisations undertaking financial transactions with a highly secure method of online signing, which complies with the Consumer Credit Act and significantly improves the speed of credit applications processing.

Designed to be seamlessly embedded within a lender's own online application processes, the Equifax SecureMark Digital Certificate interface utilises Equifax eIDverifier™. This robust identity verification system reliably authenticates the consumer online before issuing a digital certificate for use in digitally signing the credit application.

SPARINVEST BRINGS VALUE CONCEPT TO UK MARKET

Sparinvest, the Danish independent asset management group, announced that it had received authorisation from the Financial Services Authority to market its Luxembourg-domiciled fund range to UK investors with immediate effect.

Sparinvest's principal product for the European marketplace is the Luxembourg-registered Sparinvest SICAV, which currently comprises the following subfunds:

— Sparinvest Global Value — Net assets €506.4 million.

— Sparinvest Long Danish Bonds — Net assets DKK 311.6 million.

— Sparinvest High Yield Value Bonds — Net assets €174.3 million.

New retail and Institutional GBP and EUR denominated share classes are now available in each of these subfunds, and Sparinvest has restructured them to act as distribution funds in order to obtain UK distributor status. The SICAV is already authorised for sale in Luxembourg, Germany, Denmark, Holland, Sweden, Norway and Iceland.

CLEARSTREAM'S VESTIMA + FIRST FUND ORDER ROUTING SYSTEM TO ACCEPT SWIFT'S XML ISO 20022

Vestima +, Clearstream's automated investment funds order routing service, has become the first-order routing system for funds to adopt Swift XML ISO 20022 new messaging format.

Vestima + will also be able to translate instructions sent in ISO 15002 into ISO 20022 and vice versa. Vestima + is the only available system offering free choice of settlement and custody routes. It is aimed at reducing the costs and inefficiencies in the area of order processing within the investment funds industry by using electronic communication media like an internet-based workstation or SWIFT messages.

Participants worldwide can access Europe's main domestic markets via Vestima + as a single entry point allowing straight through processing from trade initiation to final settlement.