Exchange New Product News

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XETRA TRADES UP BY 21 PER CENT IN JULY 2008 TOTAL VOLUME OF €218 BILLION TRADED ON ALL STOCK EXCHANGES IN GERMANY

In July 2008, the number of trades executed on Xetra reached more than 19 million transactions — up 21 per cent compared to July 2007 with 16. 1 million trades. Order book turnover on Xetra recorded €193.2 billion (July 2007: €222.3 billion), down by 13 per cent. On Xetra and the Frankfurt floor, €188.7 billion were turned over in German equities and €9.2 billion in foreign shares.

Roughly 98 per cent of the transaction volume with German equities and around 87 per cent of foreign equities were traded on Xetra and on the floor at Börse Frankfurt. According to the Xetra liquidity measure (XLM), E.ON AG was the most liquid DAX blue chip in July, with 6 basis points (bp) for an order volume of €100,000.

K + S AG was the most liquid MDAX® stock, with 24 bp. The most liquid ETF was the Lyxor ETF EURO CASH with 1 bp. The most liquid foreign stock was Royal Dutch Shell, with 14 bp. XLM measures liquidity in electronic securities trading on the basis of the implicit transaction costs. It is expressed in basis points (1 bp = 0.01 per cent); a low XLM denotes high liquidity in a security.

Deutsche Bank AG was the strongest DAX® stock on Xetra in July at €12 billion. K + S AG was the top MDAX® stock at €4.9 billion, while Air Berlin AG led K + the SDAX® stock at €82 million, and Q-Cells AG headed the TecDAX® at €1.1 billion.

At €2.4 billion, the iShares DAX was once again the exchange-traded fund with the largest turnover.

On all stock exchanges in Germany, €218 billion were traded in July 2008 according to order book turnover statistics — a decline by 16 per cent compared year-on-year (July 2007: €260.6 billion). This total included €207.9 billion in equities, warrants and exchange-traded funds, as well as €10.6 billion in fixed-income securities. The number of trades at all exchanges added up to 28.3 million (July 2007: 30.6 million), which is a seven per cent decrease.

CLEARSTREAM'S CFF WINS THE BANKER TECHNOLOGY AWARD 2008

Clearstream's Central Facility for Funds (CFF), the innovative solution launched in 2007 to streamline the post-trade processes in the cross-border investment funds industry, has received the Technology Award for 'clearing and settlement' granted by the UK-based magazine, The Banker.

CFF's business and operating model was designed primarily for investment funds domiciled in Luxembourg, the largest market in Europe for international funds, with over €2,000 billion in assets under management. It has also proven attractive to other funds domiciles such as Belgium, Ireland, Switzerland and the UK.

EUREX EXPANDS ITS SUCCESSFUL SECTOR INDEX PRODUCT SEGMENT

The international derivatives exchange Eurex has expanded its sector index products segment by adding global sector futures denominated in US dollar, and will in future cover the European real estate industry with futures and options as well. As of 18th August, 2008, futures are available on the five global sector indices: Dow Jones Banks Titans 30SM, Dow Jones Insurance Titans 30SM, Dow Jones Oil & Gas Titans 30SM, Dow Jones Telecommunication Titans 30SM and Dow Jones Utilities Titans 30SM. Furthermore, as of 18th August, a futures contract on the Dow Jones Global Titans 50SM Index in US dollar complements the existing futures contract in euro.

On 22nd September, 2008, Eurex launched equity index futures and options on the Dow Jones EURO STOXX® Real Estate and Dow Jones STOXX® 600 Real Estate indices. Both new futures on the real estate indices will be included in the existing market-making programmes for sector index futures and sector index options.

CAYMAN ISLANDS SETS MILESTONE WITH 10,000 REGISTERED FUNDS

Recent second quarter figures from the Cayman Islands Monetary Authority (CIMA) have confirmed the achievement of a key milestone by the Cayman Islands financial services industry, with more than 10,000 investment funds currently registered in the jurisdiction.

At the end of June 2008 there were 10,037 funds on CIMA's register, compared with 9,681 at the end of the previous quarter and 8,972 at the mid-point of 2007. The current annual growth rate of 12 per cent in net new hedge funds, which takes cancellations into account, is particularly striking in the context of the deterioration in global markets following the sub-prime meltdown and associated credit crunch.

The continued growth in net hedge fund registrations is also partly explained by the absence of a significant spike in fund terminations. While there has certainly been a slight increase in terminations over the past 12 months, funds are not being closed at an unprecedented rate.

Among the new funds that have been established in the Cayman Islands, strategies such as distressed debt and special opportunities presented by the widespread markdown in asset prices have continued to feature strongly.

There are a number of factors behind the Cayman Islands' attractiveness as a domicile for hedge funds, in particular the stable economic and political climate, the close relationship between the public and private sector and the presence of the world's leading professional services firms. The regulatory regime in the Cayman Islands has been recognised internationally, notably by the International Monetary Fund and the Caribbean Financial Action Task Force for its high standards.