

## **LONDON NOTICE No. 3586**

ISSUE DATE: 29 March 2012  
EFFECTIVE DATE: 2 April 2012

### **OPTIONS ON THREE MONTH EURO (EURIBOR) INTEREST RATE FUTURES**

#### **INTRODUCTION OF ADDITIONAL EXERCISE PRICES**

##### **Executive Summary**

This Notice informs Members of the introduction of additional exercise prices in the Back Months of the Standard Options on Three Month Euro (EURIBOR) Interest Rate Futures Contracts.

1. Currently, when a new Short Term Interest Rate (STIR) Option Contract is listed or a new expiry month is introduced, a series of exercise prices (always including both a put and a call series for each exercise price) is made available for trading with the exercise price intervals fixed on the following basis:
  - (a) Standard STIR Options: 12.5 basis point intervals in the first quarterly expiry months and all relevant serial months; and 25 basis point intervals for all other months (“Back Months”); and
  - (b) STIR Mid-Curve Options: 12.5 basis point intervals for all expiry months.
2. This Notice informs Members of a revision to the exercise price intervals for the Back Months in respect of Standard Options on Three Month Euro (EURIBOR) Interest Rate Futures (the “Euribor Options”). On and from Monday 2 April 2012, additional series will be listed at 12.5 basis point intervals in the Back Months of the Euribor Options, such that the exercise price interval for all Euribor Options including One-Year and Two-Year Mid-Curve Options will be fixed at 12.5 basis points.
3. For the avoidance of doubt, the exercise price intervals in respect of Standard Options on Three Month Sterling (Short Sterling) Interest Rate Futures shall remain unchanged.
4. The updated Trading Procedures, as set out in the Attachment to this Notice, will be made available on the NYSE Euronext website ([www.nyx.com/liffe](http://www.nyx.com/liffe)) in due course.

For further information in relation to this Notice, Members should contact:

Fixed Income Derivatives

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The **Euronext Derivatives Markets** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

**NYSE Liffe Trading Procedures**  
(new text underlined, deleted text ~~struck through~~)

**SECTION 2 – TRADING PROCEDURES IN RELATION TO  
THE LONDON MARKET**

**Lo.3 Introduction of a new series**

Lo.3.3 (b) For Financial Option Contracts the exercise prices of each series is fixed as follows:

<u>Euribor Options (including Mid-Curves)</u>	<u>12.5 basis point intervals for all expiry months.</u>
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<u>Euroswiss Options</u>	<u>12.5 basis point intervals for all expiry months.</u>
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Short <del>Sterling</del> <u>Term Interest Rate (STIR)</u> -Options (including Mid-Curves)	12.5 basis point intervals in the first four quarterly expiry months and all relevant serial months and 25 basis point intervals for all other months.
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Bond Options	50 basis point intervals
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Euro Swapnote<sup>®</sup> Options

2 year	10 basis point intervals
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5 year	25 basis point intervals
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10 year	50 basis point intervals
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If the Exchange considers that a new exercise price in respect of a Financial Options Contract is unrepresentative of the current market conditions, he may rule that such new exercise price will not be listed on the business day in question.