

LONDON INFO-FLASH NO. LO09/32

ISSUE DATE: 4 September 2009

THREE MONTH EONIA SWAP INDEX FUTURES CONTRACT

INVITATION TO APPLY FOR CALENDAR SPREAD DESIGNATED MARKET MAKER SCHEME

Executive Summary

This Info-Flash informs Members of the renewal of the Designated Market Maker (“DMM”) Scheme in Calendar Spread Strategies in the Three Month EONIA Swap Index Futures Contract and invites Members and appropriate clients of Members to apply.

1. Introduction

- 1.1 London Notice No. 3140, issued on 1 April 2009, informed Members of the appointment of Designated Market Makers (“DMMs”) in Calendar Spread strategies (the “Calendar Spread DMM Scheme”) in the Three Month EONIA Swap Index Futures Contract (“Three Month EONIA Futures”).
- 1.2 This Info-Flash advises Members of the renewal of the Calendar Spread DMM Scheme and invites Members and appropriate clients of Members to apply. The renewed Scheme will run for a six month period, from **1 October 2009 to 31 March 2010**.

2. Calendar Spread DMM benefits

- 2.1 Subject to fulfilling the relevant obligations, Calendar Spread DMMs shall be granted the following:
 - (a) a full Exchange transaction fee rebate on market assigned business transacted in a market making capacity; and
 - (b) a stipend that reflects a proportion of its reasonable identified costs of acting in a Calendar Spread DMM capacity, e.g., staff costs and cost of trading software and hardware. Applicants should include a breakdown of such costs in euro as part of their application. If agreed, this will be paid on a monthly basis in respect of each day during the calendar month in which the Calendar Spread DMM meets its obligations. For the avoidance of doubt, the Exchange will not subsidise a market position and/or margin payments. Finally, the Exchange will not make stipend payments in respect of capital or opportunity costs.
- 2.2 Stipends will be paid in euro.

Web site: www.nyx.com/liffe

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. Whilst all reasonable care has been taken to ensure that this Info-Flash is accurate and not misleading, neither NYSE Euronext, Euronext N.V. nor any of the group companies shall be liable (except to the extent required by law) for the use of the information howsoever arising. NYSE Euronext EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OF ANY OF THE CONTENT PROVIDED, OR AS TO THE FITNESS OF THE INFORMATION FOR ANY PURPOSE. The contents of this Info-Flash are for information only and shall not constitute investment advice. Neither NYSE Euronext nor any of its group companies, servants, or agents are responsible for any errors or omissions contained herein. None of the content of this Info-Flash will form any part of any contract between us.

2.3 There will be no trade priority advantages provided by the Exchange to Calendar Spread DMMs.

3. Calendar Spread DMM obligations

3.1 In return for the rebates and stipend described in section 2 above, Calendar Spread DMMs will be required to make continuous two way prices, at specified maximum bid/offer spreads, in a specified minimum quote size, for a fixed proportion of the trading session between 07:00 and 16:30 hours (London time).

3.2 For information and guidance purposes, details of the current obligations in place in relation to the existing Calendar Spread DMM Scheme in the Three Month EONIA Futures are contained in the Attachment to this Info-Flash.

3.3 Should a Calendar Spread DMM materially fail to meet its Calendar Spread DMM obligations, the Exchange may determine a course of action to terminate its participation in the Scheme and/or to reduce or remove any entitlement of the DMM and, where appropriate, to re-charge in part or in full any rebates and payments made under the terms of the Scheme.

3.4 It is intended that the names of Calendar Spread DMMs and the nature of their commitments, will be promoted by the Exchange and detailed on the NYSE Liffe website.

4. Calendar Spread DMM obligations: Application process

4.1 Members who wish to apply for Calendar Spread DMM status, either themselves or on behalf of their clients, should contact their Account Manager for details of the application process. Completed applications should be submitted to Account Managers by the close of business on **Monday 14 September 2009**.

4.2 The Calendar Spread DMM Scheme is open to all Members with the appropriate trading rights. A non-Member may undertake the market making activities on behalf of a Member. However, in such cases the performance of the Calendar Spread DMM obligations remains the responsibility of the Member and, as such, Calendar Spread DMM applications must be submitted to the Exchange with the full understanding and agreement of the Member. In all cases, applicants should only apply for Calendar Spread DMM status with the agreement of the relevant General Clearing Member.

4.3 Applications for Calendar Spread DMM status should contain the following information:

- (a) the standard bid/offer spread and quote size obligations that the applicant is prepared to meet and the proportion of the trading session for which the applicant is prepared to meet those obligations;
- (b) details of the applicant's reasonable identified costs of acting in the capacity of market maker; and
- (c) the details of one Individual Trading Mnemonic ("ITM") through which market making business will be submitted and of the TRS Account References to which market making business will be assigned. Please note that all market making business must be assigned exclusively to nominated TRS Account(s), not currently used for any other Exchange market making or liquidity provision scheme or other arrangement.

- 4.4 In addition, Members should provide any supporting information with their application which they feel would be relevant including, but not limited to, the following:
- (a) the number and experience of staff, both in terms of the Responsible Person and other staff, available to support the market making commitments;
 - (b) the level of sophistication of their Automated Price Injection Models (“APIMs”), as any models must be registered with and approved by the Exchange; and
 - (c) the level of financial support, including in particular the level of risk capital, available to support the market making commitments.
- 4.5 Calendar Spread DMMs will be appointed through a competitive tender process. A Review Panel comprising members of NYSE Liffe’s executive will examine applications for Calendar Spread DMM status in the Scheme. No Panel member will have a material interest in any applicant, for example by way of personal or financial connection.
- 4.6 The Review Panel’s decision shall be final.
- 4.7 The appointment of a Calendar Spread DMM will be subject to a binding contract (“the Agreement”) between the Calendar Spread DMM and the Exchange. A completed application form does not constitute such an Agreement. Members who have made successful applications will receive a formal Agreement for their signature from the Exchange. A successful applicant’s Calendar Spread DMM status, and therefore the period for which he may receive financial benefits, may not be deemed to have commenced until such Agreement is completed, signed and received by the Exchange. All Calendar Spread DMM appointments will be subject to standard contractual terms (e.g. in respect of early termination).
- 4.8 The Calendar Spread DMM Scheme will run until the close of business on **Wednesday 31 March 2010**.

For further information in relation to this Info-Flash, Members should contact their Account Manager or the following:

Fixed Income Derivatives

+44 (0)20 7379 2222

stirs@liffe.com

**Existing Designated Market Maker Obligations
in the Calendar Spread DMM Scheme in Three Month EONIA Futures**

Equilibrium Solutions Ltd, trading through The Kyte Group Limited

Calendar Spreads	Session Presence (%) (07:00 to 16:30 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	90%	1.0	100
Q2 - Q3	90%	1.5	100
Q3 - Q4	90%	1.5	100
Q1 - Q3	90%	1.5	100
Q2 - Q4	90%	1.5	100

RSJ Invest, a.s.

Calendar Spreads	Session Presence (%) (07:00 to 16:30 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	90%	1.5	40
Q2 - Q3	90%	1.5	50
Q3 - Q4	90%	1.5	50
Q1 - Q3	90%	2.0	25
Q1 - Q4	90%	2.5	25
Q2 - Q4	90%	2.0	25

“DMM A”

Calendar Spreads	Session Presence (%) (07:15 to 16:15 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	80%	1.0	50
Q2 - Q3	80%	1.5	75
Q3 - Q4	80%	1.5	75
Q1 - Q3	80%	1.5	50
Q1 - Q4	80%	2.0	50
Q2 - Q4	80%	1.5	75

Financial Market Engineering Limited, trading through Schneider Trading Associates Limited

Calendar Spreads	Session Presence (%) (07:00 to 16:30 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	90%	1.0	50
Q2 - Q3	90%	1.5	50
Q3 - Q4	90%	1.5	50
Q1 - Q3	90%	1.5	50
Q1 - Q4	90%	1.5	50
Q2 - Q4	90%	1.5	50

“DMM B”

Calendar Spreads	Session Presence (%) (07:00 to 16:30 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	90%	1.5	50
Q2 - Q3	90%	1.5	50
Q3 - Q4	90%	1.5	50
Q1 - Q3	80%	1.5	50
Q1 - Q4	80%	2.0	50
Q2 - Q4	80%	1.5	50

OSTC Ltd., trading through The Kyte Group Limited

Calendar Spreads	Session Presence (%) (07:00 to 16:30 hours)	Maximum Bid/Offer Spread (bps)	Minimum Order Size (lots)
Q1 - Q2	90%	1.0	50
Q2 - Q3	90%	1.5	50
Q3 - Q4	90%	1.5	50
Q1 - Q3	90%	1.5	25
Q1 - Q4	90%	1.5	15
Q2 - Q4	90%	1.5	25