

Date

16 December 2024

Market

Euronext Derivatives Markets

Project

Fixed Income Derivatives

Euronext Derivatives – Introduction of Fixed Income Derivatives on main European government bonds

Summary

This Info-Flash outlines the technical changes required to support the introduction of **fixed income derivatives on main European government bonds**, with **mini size and cash settled**, on the **Euronext Derivatives Milan** (IDEM) market, in the **Index Derivatives** segment.

The new products will be made available in the **Next-EUA (test)** environment starting from January 2025 (the exact date will be provided with a dedicated communication).

The go-live date of the new derivatives products is planned for September 2025.

As part of the **Fixed Incomed Derivatives initiative**, Euronext will introduce on the **Euronext Derivatives Milan market** a set of **futures on main European government bonds** (10yr BTP, OAT, BUND, BONO and 30yr BTP), **with mini size and cash settled**. Please refer to the Appendix of this notice for more details on the proposed contract specifications.

The new products will be listed on the **Index Derivatives** segment and made available in the **Next-EUA (test)** environment starting from January 2025 (the exact date will be provided with a dedicated communication).

The Go-Live date of these new products is planned for September 2025.

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To accommodate the introduction of the new derivatives contracts, the below technical changes will be introduced:

- Field **Par Value** added at contract level in the *Derivatives Standing Data files* provided via CFTS (Common File Transfer System);
- Field **Delivery Date** added at outright level in the *Derivatives Standing Data files* provided via CFTS (Common File Transfer System);
- New value **6 - Percentage of Par Value** added in the **Instrument Unit Expression** field of the *Standing Data files* provided via CFTS (Common File Transfer System) and of the relevant messages disseminated via Market Data Gateway;
- New value **26 – Bonds Basket** added in the **Underlying Sub type** field of the *Derivatives Standing Data files* provided via CFTS (Common File Transfer System) and of the relevant messages disseminated via Market Data Gateway;
- New value **T – Milan Interest Rate Derivatives** added in the **Exchange Code** field of the *Derivatives Standing Data files* provided via CFTS (Common File Transfer System) and of the relevant messages disseminated via Market Data Gateway;
- The existing value **N – Interest Rate** of field **Underlying Type**, currently used for Cash, will be extended to Derivatives, in the *Standing Data files* provided via CFTS (Common File Transfer System) and in the relevant messages disseminated via Market Data Gateway;
- As communicated in the Info-Flash of [16 October 2024](#), within the Derivatives Standing Data files, **MIFID II Liquid Flag** and **LIS Pre-Trade Threshold**, currently disseminated at a Contract level, will be provided at **Outright level**;
- The new **DeliverableBonds** file will be distributed, to provide at the start of each day and for each contract, the deliverable bond basket's composition and the related Conversion Factors. The file will be made available via Euronext website, the link will be provided in due course.

The aforementioned technical changes will be delivered together with the **SBE351** release, in addition to the changes already communicated with the Operational Notice of [5 November 2024](#). Further changes will be introduced and communicated with the **SBE352** release.

This is intended as technical delivery and the new product will be made available in the Next-EUA (test) environment at a later stage (January 2025, the exact date will be communicated in due course).

Please note that additional products, physically settled, will be following launched on the same market. This documentation already includes some technical features in advance of this additional product launch. Further details will be provided at a later stage.

Documentation

- [Optiq Files - Interface Specification - Euronext Cash and Derivatives Markets - External - v5.351.2](#)
- [Optiq Files - Interface Specification - Euronext Cash and Derivatives Markets - External - v5.351.2 +TC](#)
- [Optiq MDG Messages - Interface Specification - Euronext Cash and Derivatives Markets - External - v5.351.2](#)
- [Optiq MDG Messages - Interface Specification - Euronext Cash and Derivatives Markets - External - v5.351.2 +TC](#)

In case of any additional questions, clients are invited to contact the Euronext Institutional Derivatives Team (Institutionalderivatives@euronext.com) or the Client Support team.

Further information

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Appendix: Proposed contract specifications

	Mini-futures on BUND	Mini-futures on BTP 10yr	Mini-futures on OAT 10yr	Mini-futures on BONO	Mini-futures on BTP 30yr
EXCHANGE CONTRACT CODE	MBUN	MBTP	MOAT	MBON	MBTX
UNDERLYING	Notional debt securities issued by the Federal Republic of Germany with 6% notional coupon	Notional debt securities issued by the Republic of Italy with 6% notional coupon	Notional debt securities issued by the Republic of France with 6% notional coupon	Notional debt securities issued by the Kingdom of Spain with 6% notional coupon	Notional debt securities issued by the Republic of Italy with 4% notional coupon
CONTRACT SIZE	€ 25,000 nominal value				
TRADING HOURS	Call Phase: 7.30 - 8.00 (8.00.00 - 8.00.30) CET COB: i) 8.00 - 22.00 CET on normal trading days; ii) 8.00 - 12.30 CET on the Last Trading Day LIS Facility: i) 7.30 - 22.00 CET on normal trading days; ii) 7.30 - 12.30 CET on the Last Trading Day				
PRICE QUOTATION	Percentage of the Par value				
CURRENCY	EUR, Euro, €				
TICK SIZE (AND VALUE)	COB: 0.01% (€ 2.5) LIS Facility: 0.001% (€ 0.25)				COB: 0.02% (€ 5) LIS Facility: 0.001% (€ 0.25)
CONTRACT MONTHS	The three nearest quarterly months of the March, June, September and December cycle				
LISTING OF NEW CONTRACT MONTH	First trading day after the Expiry Day				
SETTLEMENT	Cash settled				
DELIVERABLE BONDS STANDARDS	notional debt securities issued by the Federal Republic of Germany	notional debt securities issued by the Republic of Italy	notional debt securities issued by the Republic of France	notional debt securities issued by the Kingdom of Spain	notional debt securities issued by the Republic of Italy
	with an original term of no longer than 11 years	with an original term of no longer than 17 years	with an original term of no longer than 17 years	with an original term of no longer than 15 years	-
	with a remaining term within 8.5 - 10.5 years at two trading days after the Expiry Day	with a remaining term within 8.5 - 11 years at two trading days after the Expiry Day	with a remaining term within 8.5 - 10.5 years at two trading days after the Expiry Day	with a remaining term within 8.5 - 10.5 years at two trading days after the Expiry Day	with a remaining term within 24 - 35 years at two trading days after the Expiry Day
	with a fixed coupon, not inflation-linked	with a fixed coupon, not inflation-linked (BTP Futura, BTP Green and BTP Valore excluded)	with a fixed coupon, not inflation-linked	with a fixed coupon, not inflation-linked	with a fixed coupon, not inflation-linked (BTP Futura, BTP Green and BTP Valore excluded)
	with no terms permitting or requiring early redemption				
	Euro denominated				
with a minimum outstanding amount of € 4 billion (for MBUN) or € 5 billion (for MBTP, MOAT, MBON, MBTX) prior to the first calendar day of the previous contract month expiry cycle. Otherwise, they shall not be included among the deliverable bonds until the Expiry Day of the current contract month					

LAST TRADING DAY	Trading shall cease at 12:30 CET on the Expiry Day of the relevant contract month
EXPIRY DAY	Two trading days prior to the tenth calendar day of the relevant contract month, provided it is a trading day; otherwise, the immediately succeeding trading day
DAILY SETTLEMENT PRICE (DSP)	Step 1: volume-weighted average of future trade prices executed during the minutes before 17:15 CET, or Step 2: determine the DSP based on a combination of market data (trades and bid-ask), or Step 3: determine the DSP based on the Fair Value, or use the previous day's DSP
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	$EDSP = \text{Cheapest to Deliver (CTD) bond price} / \text{Conversion Factor (CF)}$ [rounded to the tick size of the futures contract] Step 1: CTD bond price is calculated as the volume-weighted average of the trade prices executed on the Central Order Book (COB) of the MOT market during the last 5 minutes of futures trading, with a minimum of 10 contracts. Step 2: in the absence of sufficient trades, CTD bond price is calculated based on an appropriate number of best bid-ask prices recorded on the MOT market during the last 5 minutes of futures trading. Step 3: if the EDSP cannot be determined as described above or it is not representative of prevailing market conditions, Borsa Italiana will establish the EDSP based on a theoretical evaluation, taking into account any other objective elements at its disposal
SETTLEMENT DAY	First business day after the Expiry Day
ALGORITHM	Price-time
WHOLESALE SERVICES	LIS Facility
TRADING PLATFORM	Optiq
EURONEXT MARKET	Euronext Derivatives Milan
CLEARING ORGANIZATION	Euronext Clearing