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MSCI basis trading

Trading a calendar spread between the daily and quarterly future replicates basis trading. Market on Close (MoC) T+X allows fully automated and operational efficient basis trading via a calendar spread between the daily expiring and standard target futures.

In a single trade, you can go short the daily and long the quarterly futures, meaning you have paid the basis and the index close – once the daily leg expires. Everything works using just one product and in the same manner as a quarterly roll.

The new solution is the first of its kind and adds flexibility, reduces operational efforts, increases the transparency of the basis and mitigates counterparty risk.

KEY ARGUMENTS:

- Touch the trade only once on the trade date
- Trade entry time is at the time of execution, processed and reported immediately
- No counterparty risk. All legs are directly in the CCP risk framework
- Full flexibility of trading channels: on-screen, EnLight or TES.

What are the key benefits?

Flexibility
The new Market on Close (MoC) T+X functionality allows trading MSCI futures as a block trade or via the order book.

Ease of execution
Just trade the calendar between the daily expiry (T, T+1 or T+2) and the standard quarterly futures you want to trade based on close and you're done. All this happens within the same product and not a separate trade for the basis. No clearing operations are needed to book from a basis product into the futures.

Reduced operational efforts
There's no need for further price confirmations or additional tasks after the index close is available. This also means that each trade only needs to be considered once. This brings the positive side effect that the trade shows the correct trade date, namely when it was initially agreed.

Basis trades can be created and traded through all trading channels:
on-screen, EnLight and TES:

1. Choose your underlying future (example for MSCI World NTR EUR: FMWN)
2. Choose respective calendar spread between e.g., T1 and the respective monthly expiry
3. Define trade details inclusive limit orders
4. Trade

Market

fmwo Product | Edit | Up to: Expiry | Strike | +/- | S | C | M | = Type | Market Depth 10 | Columns Futures (m

CPhase	Contract	Curr	CPrevSettlPrc	CNetChg	CVol	CBAcc	CBQty	CBid	CAsk	CAQty	CAAcc	CLst	CLstQty	CHigh	CLow	FinSettlRefDate	ContractDate	ExpDate
Cont	FMWO T+0	USD	8,728.89400													02.05.2023	02.05.2023	03.05.2023
Cont	FMWO T+1	USD	8,730.13400													03.05.2023	03.05.2023	04.05.2023
Cont	FMWO T+2	USD														04.05.2023	04.05.2023	05.05.2023
Cont	FMWO Jun23	USD	8,784.00000	-163.00000	5,144		1	8,656.000	8,658.000	4		8,659.000	3	8,814.000	8,659.000	16.06.2023	16.06.2023	19.06.2023
Cont	FMWO Sep23	USD	8,873.00000													15.09.2023	15.09.2023	18.09.2023
Cont	FMWO Dec23	USD	8,975.00000													15.12.2023	15.12.2023	18.12.2023
Cont	FMWO Mar24	USD	9,080.00000													15.03.2024	15.03.2024	18.03.2024
Cont	FMWO Jun24	USD	9,169.00000													21.06.2024	21.06.2024	24.06.2024
Cont	FMWO Sep24	USD	9,248.00000													20.09.2024	20.09.2024	23.09.2024
Cont	FMWO Dec24	USD	9,314.00000													20.12.2024	20.12.2024	23.12.2024
Cont	FMWO Mar25	USD	9,387.00000													21.03.2025	21.03.2025	24.03.2025
Cont	FMWO Jun25	USD	9,464.00000													20.06.2025	20.06.2025	23.06.2025
Cont	FMWO Sep25	USD	9,542.00000													19.09.2025	19.09.2025	22.09.2025
Cont	FMWO Dec25	USD	9,576.00000													19.12.2025	19.12.2025	22.12.2025
Cont	FMWO Mar26	USD	9,641.00000													20.03.2026	20.03.2026	23.03.2026
Cont	FMWO BSPD T+0 Jun23	USD																
Cont	FMWO BSPD T+1 Jun23	USD																
Cont	FMWO BSPD T+2 Jun23	USD																
Cont	FMWO SPD Jun23 Sep23	USD					100	-298.500	98.500	100								
Cont	FMWO SPD Jun23 Dec23	USD																
Cont	FMWO SPD Jun23 Mar24	USD																

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Contact

EUREX SALES
Philipp Schultze
T +41-43-430-71 26
philipp.schultze@eurex.com

EQUITY & INDEX PRODUCT DESIGN
Ralf Huesmann
T +49-69-211-1 54 43
ralf.huesmann@eurex.com

Find out more online at
www.eurex.com/nextgen