
Market Notice

21 August 2015



London
Stock Exchange

London Stock Exchange Derivatives

MARKET NOTICE 2015/056

New Product Launch – BIST 30 Futures and Options

London Stock Exchange Derivatives Market (LSEDM) would like to inform Members that from 14 September 2015, Futures and Options on the BIST 30 index will be available to trade on LSEDM.

Product Codes:

LSEDM Underlying Code	BIST30
LCH SPAN Logical Code	BIS

Member firms wishing to amend their configuration to include trading of BIST 30 Futures and Options should contact the LSEDM Operations team on +44 (0) 20 7797 3617.

For further information, please refer to the contract specifications and fee schedule included in this Market Notice. All related documents will be available on www.lseg.com/derivatives starting from 14 September 2015.

We remind customers that testing is currently available for BIST 30 Futures and Options in the LSEDM CDS environment.

If you have any question, please contact the LSEDM Sales Team on +44 (0) 207 797 1562.

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London
Stock Exchange Group

BIST 30 index futures: Contract Specifications

Parameter	Contract Specifications ¹	
Contract Underlying	BIST 30 Price index, divided by 1,000 (for example, BIST 30 Price index = 110,500, Contract Underlying = 110,500 / 1,000 = 110.500)	
Central Counterparty	LCH.Clearnet	
Trading Hours	07:10 – 15:45 London time for Order book trading 07:10 – 17:30 London time for Block trading and manual Trade Reporting	
Multiplier	TRY 100 per Contract Underlying (for example, BIST 30 Price index / 1000 * 100 = 110,500 / 1,000 * 100 = TRY 11,050.0)	
Currency	TRY, Turkish Lira	
Quotation display	Future price in points of Contract Underlying	
Tick Size and Tick Value	Tick Size	Tick Value
	0.025 in points of Contract Underlying	TRY 2.5
Listing Day	The day following the Expiration Day. Where this is not a Trading Day, the following Trading Day shall be used	
Contract lifetimes and Expiration Months	February, April, June, August, October and December expiry cycle, up to 1 year. Contracts with 3 different expiration months nearest to the current month shall be traded concurrently. If December is not one of those 3 months, an extra contract with an expiration month of December shall be launched.	
Expiration Day	Last Trading Day of the Expiration Month. In case the market is closed or open half day, Expiration Day shall be the preceding Trading Day.	
Settlement style	Cash Settlement on Expiration Day with daily cash settlement throughout the lifetime of the Contract	
Daily Settlement Price	The last value of the BIST 30 Price index as calculated each day by Borsa Istanbul, divided by 1,000, and adjusted for Fair Value.	
Daily Cash Settlement	One Bank Day after the Trade Day	
Expiration Settlement Price	<p>Standard Contracts: the Expiration Settlement Price as defined by Borsa Istanbul². In case Borsa Istanbul is not able to define the EDSP due to a technical or market-wide issue, LSEDM will convene an internal committee to determine the EDSP, considering current market conditions and providing market participants relevant information via market notice.</p> <p>Tailor-made Contracts: The Expiration Settlement Price shall be calculated as the weighted average of i) the time weighted average of the last 30 minutes of continuous auction in the Borsa Istanbul equity market (in the second session) and ii) the closing price of the index, with 80% and 20% weights, respectively. The calculated weighted average is divided by 1,000 and rounded to the nearest 0.025. In case of technical or market-wide issue impacting either Borsa Istanbul equity market or BIST 30 index calculation, LSEDM will convene an internal committee to determine the EDSP, considering current market conditions and providing market participants relevant information via market notice.</p>	
Expiration Settlement	One Bank Day after Expiration Day	
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to 1 year) • Future Price (to 3 decimal places, including off-tick) 	

¹ DISCLAIMER: The Exchange has entered into a license agreement with Borsa Istanbul ("BIST") to be permitted to use the BIST 30 Index that BIST owns rights in, in connection with the listing, trading and marketing of derivatives products linked to the BIST 30 Index. BIST makes no warranty, express or implied as to the accuracy, completeness, merchantability, fitness for a particular purpose or the results to be obtained by any person or any entity from the use of the BIST 30 Index, any intraday proxy related thereto or any data, included therein, and cannot be held responsible for any loss or damage arising from any faults failures delays omissions of BIST30 Index in connection with the trading of any contracts, or for any other use.

² <http://www.borsaistanbul.com/en/products-and-markets/markets/derivatives-market-viop/final-settlement-prices>

BIST 30 index options: Contract Specifications

Parameter	Contract Specifications ³	
Contract Underlying	BIST 30 Price index, divided by 1,000 (for example, BIST 30 Price index = 110,500, Contract Underlying = 110,500 / 1,000 = 110.500)	
Option Style	European Style	
Central Counterparty	LCH.Clearnet	
Trading Hours	07:10 – 15:45 London time for Order book trading 07:10 – 17:30 London time for Block trading and manual Trade Reporting	
Exercise window	18:10 – 18:40 London time on Expiration Day.	
Multiplier	TRY 100 per Contract Underlying (for example, BIST 30 Price index / 1000 * 100 = 110,500 / 1,000 * 100 = TRY 11,050.0)	
Currency	TRY, Turkish Lira	
Quotation display	Option premium in points of Contract Underlying	
Tick Size and Tick Value	Tick Size	Tick Value
	0.01 in points of Contract Underlying	TRY 1
Listing Day	The day following the Expiration Day. Where this is not a Trading Day, the following Trading Day shall be used	
Contract lifetimes and Expiration Months	February, April, June, August, October and December expiry cycle, up to 1 year. Contracts with 3 different expiration months nearest to the current month shall be traded concurrently. If December is not one of those 3 months, an extra contract with an expiration month of December shall be launched.	
Expiration Day	Last Trading Day of the Expiration Month. In case the market is closed or open half day, Expiration Day shall be the preceding Trading Day.	
Settlement style	Cash Settlement on Expiration Day with daily cash settlement throughout the lifetime of the Contract	
Daily Settlement Price	Theoretical Value based on the volatility surface, itself dependent on: quotes per series, underlying spot price, applicable interest rate, dividend amount (if applicable), ex-dividend date (if applicable), the second order interpolation and the arbitrage free surface.	
Expiration Settlement Price	<p>Standard Contracts: the Expiration Settlement Price as defined by Borsa Istanbul.⁴ In case Borsa Istanbul is not able to define the EDSP due to a technical or market-wide issue, LSEDM will convene an internal committee to determine the EDSP, considering current market conditions and providing market participants relevant information via market notice.</p> <p>Tailor-made Contracts: The Expiration Settlement Price shall be calculated as the weighted average of i) the time weighted average of the last 30 minutes of continuous auction in the Borsa Istanbul equity market (in the second session) and ii) the closing price of the index, with 80% and 20% weights, respectively. The calculated weighted average is divided by 1,000 and rounded to the nearest 0.025. In case of technical or market-wide issue impacting either Borsa Istanbul equity market or BIST 30 index calculation, LSEDM will convene an internal committee to determine the EDSP, considering current market conditions and providing market participants relevant information via market notice.</p>	
Exercise Settlement	One Bank Day after Expiration Day	
Premium Settlement	One Bank Day after the Trade Day.	
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to 1 year) • Premium (to two decimal places) • Options Strike Price (to three decimal places) 	
Strike Prices	For each Expiration month, at least 15 strike prices are available for both call and put options (7 ITM, 7 OTM and 1 ATM) with a strike price generation increment equal to 2 (corresponding to 2,000 index points).	

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⁴ <http://www.borsaistanbul.com/en/products-and-markets/markets/derivatives-market-viop/final-settlement-prices>



Turkish derivatives: Fee Schedule

All non Market-maker accounts (standard fees)

Fee Type	BIST30 index futures	BIST30 index options
Order book trade fee	0.43 TRY per contract	0.34 TRY per contract
Block trade / trade reporting fee		
Clearing fee	0.07 TRY per contract	0.06 TRY per contract
Trade fee cap	n.a.	TRY 1,360 per trade
Clearing fee cap	n.a.	TRY 240 per trade
Assignment / Exercise / Expiration fee	0.5 TRY per contract	0.4 TRY per contract
Assignment / Exercise / Expiration fee cap	n.a.	TRY 1,600 per exercise

Primary market-maker accounts (PMM fees)

Fee Type	BIST30 index futures	BIST30 index options
Order book trade fee	40% discount on standard fee	60% discount on standard fee
Block trade / trade reporting fee	0.43 TRY per contract	0.34 TRY per contract
Clearing fee	<u>Order book trades:</u> 40% discount on standard fee <u>Block trades / Trade reporting:</u> 0.07 TRY per contract	<u>Order book trades:</u> 60% discount on standard fee <u>Block trades / Trade reporting:</u> 0.06 TRY per contract
Trade fee cap	n.a.	<u>Order book trades:</u> TRY 544 per trade <u>Block trades / Trade reporting:</u> TRY 1,360 per trade
Clearing fee cap	n.a.	<u>Order book trades:</u> TRY 96 per trade <u>Block trades / Trade reporting:</u> TRY 240 per trade
Assignment / Exercise / Expiration fee	0.5 TRY per contract	0.4 TRY per contract
Assignment / Exercise / Expiration fee cap	n.a.	TRY 1,600 per exercise

