

**DATE:** 9 JANUARY 2019  
**MARKET:** EURONEXT DERIVATIVES MARKETS

## **NEW FUTURES CONTRACT ON PARIS REAL ESTATE: AVAILABLE IN TEST ENVIRONMENT FROM 21 JANUARY 2019**

### **Executive Summary**

Euronext's new index futures contract on Paris Real Estate will be available for client testing in the EUA environment as from Monday 21 January 2019.

Euronext informs customers of the launch of its new index futures contract<sup>1</sup> based on a new Paris residential property index: PARISSQM.

Clients are invited to test this new product in EUA environment as from **Monday 21 January 2019**. The date for the go-live of the futures contract will be announced via Info-Flash later this quarter.

### **ABOUT THE PARISSQM INDEX**

The PARISSQM index has been developed by financial indices expert, Compass Financial Technologies, in partnership with real estate and finance solution provider, Kalstone. Based solely on real transaction data from the 'Paris Notaires Services'<sup>2</sup> office, the index has been designed to provide a responsive and consistent benchmark for typical transacted prices in the residential real estate market. It launched in May 2018 and is published every two weeks, with a six-week lag and quoted in euro per square metre. A 10 year data history is available on Reuters (.PARISSQM), Bloomberg (PARISSQM) and on the Compass Financial Technologies [website](#).

### **EURONEXT FUTURES CONTRACT**

The new futures will form an innovative, alternative solution for investors seeking exposure to the Paris real estate market without the constraints of physical investment, or who are looking to hedge their portfolio price risk.

Euronext's new futures contract will have standardised requirements with 1 contract representing 1 square metre, and real-time quotation throughout market opening hours.

<sup>1</sup> Pending LCH SA and regulatory approval

<sup>2</sup> All property transactions in France must be made through a 'notaire', a legal specialist who is a public official acting on behalf of the French state.

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## INFO-FLASH

- Paris Real Estate Futures Contract Specifications<sup>3</sup>:

| PARISSQM index future                            |   |
|--|---|
| <b>Euronext market</b>                           | Paris   |
| <b>Unit of trading</b>                           | 1 contract = 1m <sup>2</sup> (approx. €9,700 exposure)  |
| <b>Expiry months</b>                             | Quarterly (June, Sep, Dec, March) for year 1, then 2 year (Dec), 3 year (Dec)   |
| <b>Minimum price movement</b>                    | Central Order Book, Basis Trade & Large-in-Scale Facility: 1 index point (€1 per contract)  |
| <b>Last trading day</b>                          | Trading ceases at 17:30 CET on the day preceding the Expiry Day. In the event that this is not a business day, the Last Trading Day (usually a Thursday) shall be on the business day immediately preceding that day. |
| <b>Settlement</b>                                | Cash Settlement based on the EDSP   |
| <b>Expiry day</b>                                | The Expiry Day corresponds to the last publication date of the PARISSQM index in the expiry month (usually a Friday).   |
| <b>Exchange Delivery Settlement Price (EDSP)</b> | The settlement price is the value of underlying index PARISSQM on Expiry Day.   |
| <b>Wholesale services (minimum trade size)</b>   | Large-in-Scale Facility (25); Large-in-scale Prof (25)  |
| <b>Clearing organisation</b>                     | LCH SA  |
| <b>Trading hours</b>                             | 09:00 CET – 17:30 CET   |
| <b>Transaction fees</b>                          | €3 per contract (€2.30 trading, €0.70 clearing)   |

<sup>3</sup> Pending LCH SA and regulatory approval

## INFO-FLASH

### AVAILABILITY IN TEST ENVIRONMENT (EUA)

The contract will be available for client testing in the EUA environment as from **Monday 21 January 2019**. All clients connected to the Euronext Derivatives Markets will be able to access the Paris Real Estate Futures contract for testing in EUA.

### INDEX DATA

For more information on the index, please go to [compassft.com/parissqm](https://compassft.com/parissqm).

For further information in relation to this Info-Flash, Members should contact:

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