



FpML Financial product Markup Language

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Equity Derivatives Examples

Version: 3.0

This Version:

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Latest Version:

<http://www.fpml.org/spec/fpml-3-0>

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Errata For This Version:

<http://www.fpml.org/spec/errata/tr-fpml-3-0-2003-06-27-errata.html>

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1 Introduction

This section contains three example FpML trades for Vanilla Option Equity Derivative products. Each example illustrates how different product features are modeled in FpML.

The sample xml documents are available for download from the fpml.org website.

2 Example 1 - American Call Stock

File: eqd_example_1.xml

On 13 July, 2001, Party A and Party B agree to an equity option trade. The terms of the contract are:

- Trade Date: 13th July 2001
- Option Style: American
- Option Type: Call
- Seller: Party A
- Buyer: Party B
- Underlying: ST Microelectronics NV
- Number Options: 150,000
- Option Entitlement: 1
- Multiple Exercise: Applicable
- Minimum Number Of Options: 1
- Maximum Number Of Options: 150,000
- Integral Multiple: 1
- Strike Price: 32 EUR
- Premium: 405,000 EUR
- Premium Per Option: 2.70 EUR
- Premium Payment Date: 17th July 2001
- Exchange: EURONEXT
- Clearance System: SICOVAM
- Calculation Agent: Party A
- Commencement Date: 13th July 2001
- Latest Exercise Time: 5:15pm London
- Expiration Time: Exchange Close
- Expiration Date: 27th Sep 2001
- Automatic Exercise: Applicable
- Valuation Time Exchange: Close
- Valuation Date Exercise: Date
- Physical Settlement: Applicable
- Failure To Deliver: Applicable
- Method of Adjustment: Calculation Agent
- Share-for-Share Merger: Alternative Obligation
- Share-for-Other Merger: Cancellation and Payment
- Share-for-Combined Merger: Cancellation and Payment
- Nationalisation or Insolvency: Cancellation and Payment
- Governing Law: English

3 Example 2 - American Call Stock

File: eqd_example_2.xml

On 17 January, 2002, Party A and Party B agree to an equity option trade. The terms of the contract are:

- Trade Date: 17th Jan 2002
- Option Style: American
- Option Type: Call
- Seller: Party A
- Buyer: Party B
- Underlying: Banco Santander Central Hispano SA
- Number Options: 500,000
- Option Entitlement: 1
- Multiple Exercise: Applicable
- Minimum Number Of Options: 1
- Maximum Number Of Options: 500,000
- Integral Multiple: 1
- Strike Price: 8 EUR
- Premium: 728,800 EUR
- Premium Per Option: 1.4576 EUR
- Premium Payment Date: 22nd Jan 2002
- Exchange: Madrid Stock Exchange
- Related Exchange: MEFF
- Clearance System: SCLV
- Calculation Agent: Seller
- Commencement Date: Trade Date
- Latest Exercise Time: Exchange Close
- Expiration Time: Exchange Close
- Expiration Date: 21st Jun 2002
- Automatic Exercise: Applicable
- Seller Notice Details: Equity Derivatives Traders Tel: +44 020 123 4567 Fax: +44 020 123 4568
- Physical Settlement: Applicable
- Failure To Deliver: Applicable
- Method of Adjustment: Calculation Agent
- Share-for-Share Merger: Alternative Obligation
- Share-for-Other Merger: Alternative Obligation
- Share-for-Combined Merger: Alternative Obligation
- Nationalisation or Insolvency: Negotiated Closeout
- Delisting: Negotiated Closeout

4 Example 3 - European Call Index

File: eqd_example_3.xml

On 4 September, 2001, Party A and Party B agree to an equity option trade. The terms of the contract are:

- Trade Date: 04-09-2001
- Option Style: European
- Option Type: Call
- Seller: Party A
- Buyer: Party B
- Underlying: SMI Index
- Number Options: 2,500
- Option Entitlement: 1
- Maximum Number Of Options: 2,500
- Strike Price: 8,700
- Premium: 300,000 CHF
- Premium Payment Date: 06-09-2001
- Exchange: SWX
- Related Exchange: Eurex
- Calculation Agent: Seller
- Expiration Time: Official Settlement Price
- Expiration Date: Valuation Date 19-12-2003
- Automatic Exercise: Applicable
- Valuation Date: OSP Date
- Futures Price Valuation: Applicable
- Exchange Traded Contract: December 2003 SMI Futures Contract on Related Exchange
- Cash Settlement: Applicable
- Settlement Currency: CHF
- Cash Settlement Payment Date: Two Currency Business Days After Relevant Valuation Date