Tdex News

Tokyo Stock Exchange, Inc. Derivatives Market News

June 2010

TSE to launch Nikkei 225 Dividend Point Index futures

Tokyo Stock Exchange, Inc. (TSE) is scheduled to launch dividend index futures market on **July 26 2010**.

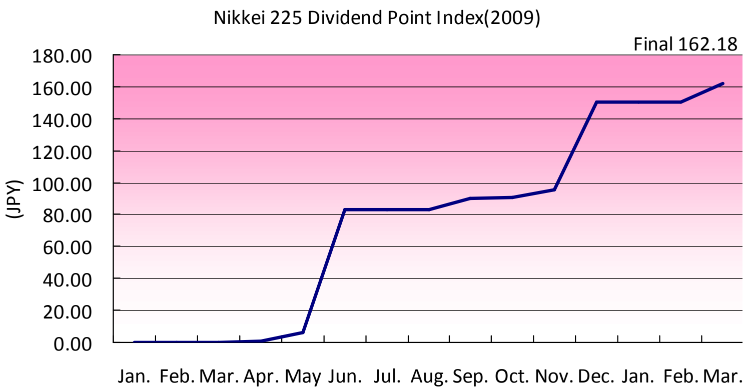
The underlying indices for the futures contracts are :

1. **Nikkei Stock Average Dividend Point Index** --- the first futures contract related to Nikkei 225 on TSE!
2. **TOPIX Dividend Index**
3. **TOPIX Core 30 Dividend Index**

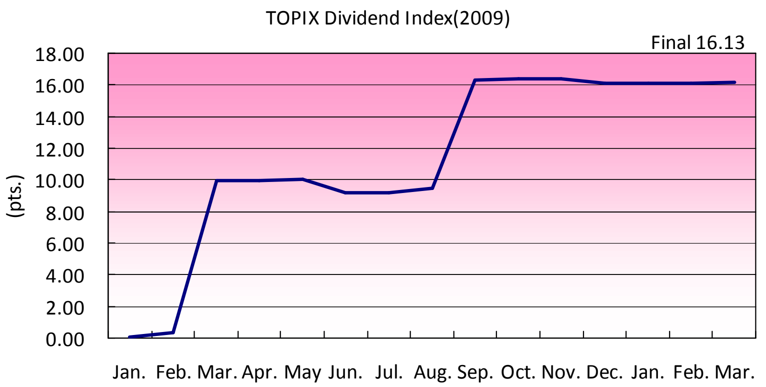
1. What is a dividend index?

A dividend index is calculated based on the realized dividends of the companies which are the constituents of the underlying index. It is calculated on a calendar year basis.

The Nikkei 225 Dividend Point Index(2010) is being published by Nikkei Inc. and TSE will publish the TOPIX Dividend Index and the TOPIX Core 30 Dividend Index.



(Source) Nikkei, Inc.



(Source) TSE

* For more information about Nikkei Stock Average Dividend Point index, please contact Index Business Office, Nikkei Inc.
  Email: index@nex.nikkei.co.jp / Phone: +81 3 6256 7341
  URL: http://www.nikkei.co.jp/nkave/pdf/10040902.pdf
  http://www.nikkei.co.jp/nkave/pdf/20100430_2.pdf

* For more information about TOPIX and TOPIX Core30 Dividend index, please contact Information Service Department, Tokyo Stock Exchange, Inc.
  Email: index@tse.or.jp / Phone: +81 3 3666 0141

(Index Ticker)	Bloomberg	Reuters	QUICK
Nikkei 225 Dividend Index	NKYDIV <Index>	.225D0	S225DIV.yy/NKNJ
TOPIX Dividend Index*	TPXDIV <Index>	.TOPXD0	STPXDIV.yy/TSE
TOPIX Core30 Dividend Index*	TPXC30D <Index>	.TOPXCD0	SC30DIV.yy/TSE

* TOPIX and TOPIX Core30 Dividend Index will be available soon.

2. How to use dividend index futures?

Dividend index futures transactions are futures transactions that hedge the risk of changes in dividend amounts received from portfolios.

With dividend index futures contracts, while the buyer of the futures is able to obtain the realized dividend amount paid by the companies, which are the constituents of the underlying indices, over a fixed period (a calendar year), the seller of the futures is able to obtain the dividend amount based on the executed price. (The seller is able to fix the amount of the dividend received.)

3. Japanese dividend index futures market.

In Europe, dividend futures are listed on some exchanges. However in Asia, although dividend swaps are actively traded on the OTC market, dividend index futures are not currently listed. The dividend swap market in Japan is thought to have reached a hundred billion dollars a day and on TSE the number of contracts a day could reach several tens of thousands.

4. Contract specifications for TSE dividend index futures

<table>
<tr><td colspan="2">Underlying Index</td><td>Nikkei Stock Average DP Index</td><td>TOPIX Dividend Index</td><td>TOPIX Core30 Dividend Index</td></tr>
<tr><td colspan="2">Trading Hours</td><td colspan="3">9:00-11:00, 12:30-15:10, 16:30-19:00</td></tr>
<tr><td colspan="2">Contract Months</td><td colspan="3">8 contract months (December contract Cycle)</td></tr>
<tr><td colspan="2">Contract Value</td><td>¥1,000</td><td>¥10,000</td><td>¥10,000</td></tr>
<tr><td colspan="2">Tick Size</td><td>¥ 0.5(¥500)</td><td>0.05pts.(¥500)</td><td>0.05pts.(¥500)</td></tr>
<tr><td colspan="2">Order Type</td><td colspan="3">Limit Orders Only</td></tr>
<tr><td colspan="2">Last Trading Day</td><td colspan="3">The last business day of March of the year following each contract month transaction</td></tr>
<tr><td colspan="2">Final Settlement</td><td colspan="3">Cash settlements using the SQ price</td></tr>
<tr><td rowspan="4">ToSTNeT</td><td>Trading Hours</td><td colspan="3">8:20-16:00, 16:30-19:10</td></tr>
<tr><td>Tick Size</td><td>¥0.1(¥100)</td><td>0.01pts.(¥100)</td><td>0.01pts.(¥100)</td></tr>
<tr><td>Price Range</td><td colspan="3">Rise or fall of <u>10%</u> in the immediately preceding contract price during auction trading</td></tr>
<tr><td>Min.Units</td><td colspan="3">1 Unit</td></tr>
</table>

5. TSE index futures Trading Supporters

The following members are TSE index futures Trading Supporters. Why don't you contact them if you are interested in TSE dividend index futures.

TSE index futures Trading Supporters (To be Designated)	Contact
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