



## Special Executive Report

**DATE:** March 15, 2018

**SER#:** 8113

**SUBJECT:** Expansion of Open Outcry Intermarket Spread Functionality in Options on Standard and Poor's Futures v. Options on E-mini Standard and Poor's Futures Contracts

Effective Sunday, April 1, 2018 for traded date Monday, April 2, 2018, Chicago Mercantile Exchange, Inc. ("CME") will permit expansion of provisions for intermarket spread trading in open outcry in Options on E-mini E-mini® Standard and Poor's 500 Stock Price Index Futures ("ES") futures versus Options on Standard and Poor's 500 Stock Price Index™ ("SP") futures contracts (as identified in Exhibit 1) so as to include (a) options that are exercisable into futures for any delivery month and (b) all option exercise price levels.

**Exhibit 1 – Options on CME SP Futures and Options on CME ES Futures**

<i>CME Contract/Rulebook Chapter</i>	<i>CME Globex Code, CME ClearPort Code, and Clearing Code</i>	<i>Open Outcry Code</i>
<b>Options on SP Futures (351A)</b>		
American Style (Quarterly)	SP	Put: PS Call: CS
European Style Weekly	EV1, EV2, EV3, EV4	EV1, EV2, EV3, EV4
European Style Weekly Wednesday	S1C, S2C, S3C, S4C, S5C	S1C, S2C, S3C, S4C, S5C
European Style Weekly Monday	S1A, S2A, S3A, S4A, S5A	S1A, S2A, S3A, S4A, S5A
European Style End-of-Month	EV	EV
<b>Options on ES Futures (358A)</b>		
American Style (Quarterly)	ES	N/A
European Style Weekly	EW1, EW2, EW3, EW4	N/A
European Style Weekly Wednesday	E1C, E2C, E3C, E4C, E5C	N/A
European Style Weekly Monday	E1A, E2A, E3A, E4A, E5A	N/A
European Style End-of-Month	EW	N/A

At present, an intermarket spread between options on SP futures and options on ES futures ("spread") is permitted to be traded in open outcry, during regular trading hours, subject to the following requirements:

- (1) such spread consists of the simultaneous purchase (sale) of one option on SP futures and sale (purchase) of five (5) options on ES futures;
- (2) the underlying futures contracts for all such options are for delivery in the nearby March Quarterly month (March, June, September, or December);
- (3) all such options have the same exercise style (either American or European);
- (4) all such options are the same type (either put or call);
- (5) all such options expire on the same date;
- (6) all such options have the same exercise price; and
- (7) at the time of trade execution, such exercise price is out-of-the-money (OTM), or is at-the-money (ATM), or is one of the five (5) consecutive in-the-money (ITM) exercise price levels nearest to the ATM exercise price level.

As of Sunday, April 1, 2018, for trade date Monday, April 2, 2018, any such spread shall be permitted to be traded in open outcry, during regular trading hours, subject to the following amended requirements:

- (1) Such spread shall consist of the simultaneous purchase (sale) of one option on SP futures and sale (purchase) of five (5) options on ES futures.
- (2) The underlying futures contracts for such options may be for delivery in any March Quarterly month for which both SP futures and ES futures are listed for trading at the time of trade execution, subject to the requirement that all such underlying futures contracts must be for the same delivery month.
- (3) All such options have the same exercise style (either American or European).
- (4) All such options are the same type (either put or call).
- (5) All such options expire on the same date.
- (6) Such spread may be executed at any exercise price level, subject to the requirement that all options within such spread must have the same exercise price.

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