

Chapter 1067 Short-Term Gold Option

1067.01 EXPIRATION

Expiration shall be in accordance with the following schedule. On the initial listing date, the Short-Term Gold option will be listed with expiration four business days from the listing date. Thereafter, an additional contract will be listed for expiration four days after that business day. In the event that the expiration day of the Short-Term Gold option coincides with the expiration of associated Gold Option, the Short-Term Gold option will not be listed. No Short-Term Gold option shall be listed if its expiration coincides with an Exchange holiday.

1067.02 OPTION TYPE

A Short-Term Gold option is a European-style option.

1067.03 TRADING UNIT

A Short-Term Gold call option contract will be exercisable into a long futures position for the nearest February, April, June, August, October, or December Gold futures contract, unless such expiration day is four business days or less prior to the beginning of the nearest February, April, June, August, October, or December calendar month. If expiration occurs four business days or less prior to the beginning of the nearest February, April, June, August, October, or December calendar month, the contract will be exercisable into a long futures position in the second nearest February, April, June, August, October, or December Gold futures contract.

A Short-Term Gold put option contract will be exercisable into a short futures position for the nearest February, April, June, August, October, or December Gold futures contract, unless such expiration day is four business days or less prior to the beginning of the nearest February, April, June, August, October, or December calendar month. If expiration occurs four business days or less prior to the beginning of the nearest February, April, June, August, October, or December calendar month, the contract will be exercisable into a short futures position in the second nearest February, April, June, August, October, or December Gold futures contract.

1067.04 STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(A) On the first business day of trading in an option contract day, trading shall be at the following strike prices: (i) the previous day's settlement price for Gold futures contracts in the corresponding delivery month rounded off to the nearest five-dollar increment strike price unless such settlement price is precisely midway between two five-dollar increment strike prices in which case it shall be rounded off to the lower five-dollar increment strike price and (ii) the forty five-dollar increment strike prices which are forty increments higher than the strike price described in (i) of this rule 1067.04(A) and (iii) the forty five-dollar increment strike prices which are forty increments lower than the strike price described in (i) of this rule 1067.04(A).

(B) Thereafter, on any business day prior to the expiration of the option: (i) new consecutive five-dollar increment strike prices for both puts and calls will be added such that at all times there will be at least forty five-dollar increment strike prices above and below the at-the-money strike price available for trading in all option contracts;

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in Short-Term Gold option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a Short-Term Gold option in which no new strike prices may be introduced.

1067.05 TRADING MONTHS

Trading in Short-Term Gold option contracts shall be conducted in the days determined by the Exchange.

1067.06 PRICES

Prices shall be quoted in dollars and cents per troy ounce. The minimum price increment will be \$0.1 per troy ounce, or \$10 per contract. A cabinet trade may occur at the price of \$0.01 per troy ounce or \$1.00 per contract.

1067.07 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Short-Term Gold option contracts shall not be subject to price fluctuation limitations.

1067.08 ABSENCE OF CONTRARY INSTRUCTIONS

Notwithstanding other general rules of option exercise, Short-Term Gold options are automatically exercised if they are at least \$0.10 in-the-money. No abandonments of in-the-money options and no exercise of out-of-the-money options will be allowed.