

AGRICULTURAL PRODUCTS

# Soybean-Corn Price Ratio Options

## An Efficient Way to Trade on New Crop Planting Expectations

### Overview

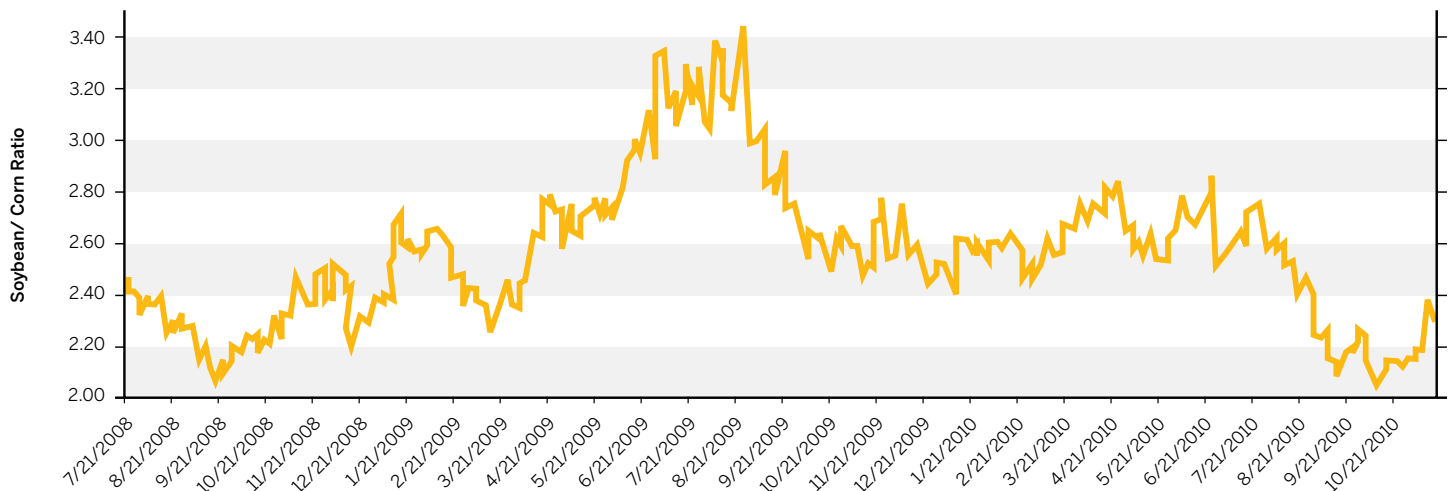
The relative value between corn and soybeans is one of the key factors that producers take into account when making planting decisions; the soybean-corn price ratio is one gauge that is used in this evaluation as these crops compete for planted acres. Soybean-Corn Price Ratio options provide market participants with an additional tool for trading on the price relationship between corn and soybeans, and the subsequent impact on new crop planted acreage. Soybean-Corn Price Ratio options are traded via open outcry on the CME Group Chicago trading floor.

### Contract Design and Settlement

The Soybean-Corn Price Ratio option contract is an option on the ratio between the price of the referencing Soybean futures contract and the price of the referencing Corn futures contract, rounded to the nearest 1/1000th of a point. The contract size is 10,000 times the ratio and the tick size is \$0.0005 or \$5.00 per contract; this makes the tick size ½ the size of the referencing ratio tick, which is consistent with other grain and oilseed options contracts. The strike price increments are 5/100s of one point per bushel.

Soybean-Corn Price Ratio options are cash-settled. The settlement price of a Soybean-Corn Price Ratio put option is calculated as the difference between the option strike price and the referencing Soybean futures contract settlement price, divided by the referencing Corn futures settlement price, rounded to the nearest 0.001 and multiplied by 10,000 or zero, whichever is greater. The settlement price of a Soybean-Corn Price Ratio call option is calculated as the difference between the referencing Soybean futures contract settlement price divided by the referencing Corn futures contract settlement price rounded to the nearest 0.001, and the strike price, multiplied by 10,000 or zero, whichever is greater.

NEARBY SOYBEAN - CORN PRICE RATIO  
JULY 2008 TO OCTOBER 2010



# CONTRACT SPECIFICATIONS

## SOYBEAN-CORN PRICE RATIO OPTIONS CONTRACT SPECIFICATIONS

<b>Contract Size</b>	10,000 x Ratio									
<b>Tick Size</b>	0.0005 (\$5.00 per contract)									
<b>Price Basis</b>	Price ratio between one Soybean futures contract and one Corn futures contract, rounded to the nearest 1/1,000th of a point (0.001).  For example, assuming a soybean price of 917.50 cents per bushel and a corn price of 375.75 cents per bushel, the ratio is $917.50/375.75 = 2.4417831$ , which rounded to the nearest 0.001 of a point is 2.442.									
<b>Strike Price Interval</b>	Strike prices will be listed in increments of 5/100s of one point (i.e., 2.40, 2.45, 2.50, 2.55, etc.). The minimum strike price range will include the strike price closest to the current Soybean-Corn futures price ratio, plus the next ten consecutive higher and the next ten consecutive lower strike prices.									
<b>Contract Months</b>	<b>Option Month</b>	Jan	Mar	May	Jun	Jul	Aug	Sep	Oct	Nov
	<b>Underlying Corn</b>	Mar	Mar	May	Dec	Jul	Dec	Sep	Dec	Dec
	<b>Underlying Soybean</b>	Mar	Mar	May	Nov	Jul	Nov	Sep	Nov	Nov
<b>Last Trading Day</b>	The last Friday which precedes by at least two business days, the last business day of the month preceding the option month.									
<b>Exercise</b>	Cash-settled									
<b>Nature of Option</b>	<p>The value of a Soybean – Corn Price Ratio put option on option expiration day shall be the difference between the option strike price and the settlement price of the referencing Soybean futures settlement price divided by the referencing Corn futures settlement price, rounded to the nearest 0.001 and multiplied by 10,000 or zero, whichever is greater.</p> <p>For example, on final settlement day if Soybean futures settle at 917.50 cents per bushel and Corn futures settle at 375.75 cents per bushel, the final ratio would be <math>917.50/375.75</math> rounded to the nearest 0.001 or 2.442. The value of a 2.50 put would be <math>(2.50-2.442) \times 10,000 = \\$580</math>.</p> <p>The value of a Soybean – Corn Price Ratio call option on option expiration day shall be the difference between the referencing Soybean futures settlement price divided by the referencing Corn futures settlement price rounded to the nearest 0.001, and the strike price, multiplied by 10,000 or zero, whichever is greater.</p> <p>For example, on final settlement day if Soybean futures settle at 917.50 cents per bushel and Corn futures settle at 375.75 cents per bushel, the final ratio would be <math>917.50/375.75</math> rounded to the nearest 0.001 or 2.442. The value of a 2.40 call would be <math>(2.442 - 2.40) \times 10,000 = \\$420</math>.</p>									
<b>Ticker Symbols</b>	<b>Open Outcry and Clearing:</b> SCR									
<b>Exchange Rules</b>	This contract is listed with and subject to the rules and regulations of the CBOT									
<b>Trading Hours</b>	<b>Open Outcry:</b> 9:30 a.m. – 1:15 p.m., Monday – Friday, Chicago Time									

## SOYBEAN-CORN PRICE RATIO OPTIONS CONTRACT EXPIRATIONS

<b>Option Month</b>	Mar 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Jan 2012
<b>Underlying Soybean</b>	Mar 2011	May 2011	Nov 2011	Jul 2011	Nov 2011	Sep 2011	Nov 2011	Nov 2011	Mar 2012
<b>Underlying Corn</b>	Mar 2011	May 2011	Dec 2011	Jul 2011	Dec 2011	Sep 2011	Dec 2011	Dec 2011	Mar 2012
<b>Option Expiration</b>	2/18/11	4/21/11	5/20/11	6/24/11	7/22/11	8/26/11	9/23/11	10/21/11	12/23/11

For more information on Soybean-Corn Price Ratio options, as well as other Grain Spread Options, visit [www.cmegroup.com/gso](http://www.cmegroup.com/gso).

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