

# Dynamic Strike Price Listings on Livestock, Dairy and Forest Product Options

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Beginning Monday, June 6, 2011, dynamic strike price listing will be available for Livestock, Dairy and Forest product options on futures. Dynamic strike price listing provides customers with the ability to trade in a strike price that has not been previously listed.

## **What other agricultural option products have dynamic listing capability?**

All grain and oilseed options have dynamic listing capability. Adding this feature to Livestock, Dairy and Forest products provides our customers with the same opportunities that have been enjoyed by customers trading options on Corn, Wheat, Soybeans and Soybean by-products.

## **What restrictions are there in dynamic listings?**

A dynamically listed strike price must be in a normal strike price interval for the respective option contract month. The new strike price will be listed initially the same day in the open outcry session, and will then be available the next business day in the CME Globex session.

## **What are the steps in initiating a dynamic listing of an option?**

A trade in the desired strike price with the proper interval must be made via open outcry, and reported to a pit official in the open outcry session.

For example, assume that the existing strike price range for June live cattle call options is 150 to 100 (cents per pound), and that the proper strike price interval for June is 1 cent per pound. Dynamic listings can be made for June call options with strike prices of 151 or 152, etc., and 99 or 98, etc. A customer wants to trade a call option with a strike price of 152:

- The 152 strike call option trade is made via open outcry and reported to the pit official
- That call strike price of 152 will be listed for trading in for the open outcry session on that same day
- On the following business day, it will be listed for trading on CME Globex

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