

## Special Executive Report

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S-8215R

September 14, 2018

**REMINDER: Amendments to Exercise Price Rules for Certain Options on CME Standard and Poor's 500 Stock Price Index Futures and Options on E-mini Standard and Poor's 500 Stock Price Index Futures Contracts**

Effective Sunday, September 30, 2018, for trade date Monday, October 1, 2018, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend the exercise price rules of certain Options on E-mini Standard and Poor's 500 Stock Price Index Futures ("ES options") and Options on Standard and Poor's 500 Stock Price Index Futures ("SP options") (collectively, "option contracts") as described below.

The amendments include a change to the upper and lower bounds of the minimum strike price ranges in which option series on the related futures will be listed. Currently, the strike price range for all other tenors of options on a particular S&P 500 Index futures contract are copies of the range generated for the American Style Options in the March Quarterly Cycle; furthermore all tenors of options on the E-mini S&P 500 Index futures that have the an underlying future with the same settlement date as the particular S&P 500 Index futures contract are copies of that same strike range.

The strike price ranges generated in this fashion create a wider range of strikes than is statistically needed for shorter dated options. This amendment will change the ranges for some, but not all, of the option tenors in an effort to streamline the offering.

The Exchange will amend the strike price listing rules as set forth in CME Rule 351A01.E.2. for SP options and in CME Rule 358A01.E.2. for ES options, for the following products:

- European Style Monday Weekly Options on SP futures
- European Style Wednesday Weekly Options on SP futures
- European Style Weekly (Friday) Options on SP futures, except week 3 Fridays
- European Style Monday Weekly Options on ES futures
- European Style Wednesday Weekly Options on ES futures
- European Style Weekly (Friday) Options on ES futures, except week 3 Fridays

For avoidance of doubt, such rule amendments shall not apply to the following option products:

- American Style Options in the March Quarterly Cycle ("Quarterly options") on SP futures
- European Style Week 3 Weekly (Friday) Options on SP futures
- European Style End-of-Month Options on SP futures
- American Style Options in the March Quarterly Cycle ("Quarterly options") on ES futures
- European Style Week 3 Weekly (Friday) Options on ES futures
- European Style End-of-Month Options on ES futures

Exhibit 1 Shows, by contrast, which contracts will be subject to the new strike array policy and which contracts will remain under the original strike array policy.

Exhibit 2 Provides a timeline of contracts to be listed between October 1, 2018 and November 1, 2018.

Also at this time, the Exchange will amend the scope of application of the Exercise Price Reference that the Exchange uses to set the span of each Trading Day's exercise price arrays, as codified in CME Rule 351A01.E. for SP options and CME Rule 358A01.E. for ES options. Currently, such Exercise Price Reference applies to all options. Under the rule amendments announced herein, (i) such Exercise Price Reference shall be applicable only to Quarterly Options and to any other options for which the corresponding exercise price arrays are specified to copy the exercise price array for Quarterly Options, and (ii) the exercise price array for any Monday, Wednesday, and Weekly (Friday) option series, excluding 3<sup>rd</sup> Weekly (Friday) options, shall be set by reference to the prior Business Day's settlement price for the futures contract into which such option series is exercisable.

Finally, the amendments announced herein include a corrigendum to CME Rule 351A02.A.1. to clarify the distinction between Last Day of Trading and Expiration Day for American Style Options in the March Quarterly Cycle ("Quarterly options") on both SP and ES futures.

The rule amendments in blackline format may be viewed [HERE](#).

Please refer questions regarding to:

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#### Exhibit 1– SP500 Option Contracts with Distinction of Original and Amended Strike Price Listing

Underlying Futures Contract Commodity Code	Option Contract Commodity Code	Description	Strike Array Policy
ES	E1A	1st Monday of the month	New
ES	E2A	2nd Monday of the month	New
ES	E3A	3rd Monday of the month	New
ES	E4A	4th Monday of the month	New
ES	E5A	5th Monday of the month	New
ES	E1C	1st Wednesday of the month	New
ES	E2C	2nd Wednesday of the month	New
ES	E3C	3rd Wednesday of the month	New
ES	E4C	4th Wednesday of the month	New
ES	E5C	5th Wednesday of the month	New
ES	EW1	1st Friday of the month	New
ES	EW2	2nd Friday of the month	New
ES	EW3	3rd Friday of the month	Original
ES	EW4	4th Friday of the month	New
ES	EW	End of Month	Original
ES	ES	Quarterly (3rd Friday)	Original
SP	S1A	1st Monday of the month	New
SP	S2A	2nd Monday of the month	New
SP	S3A	3rd Monday of the month	New
SP	S4A	4th Monday of the month	New
SP	S5A	5th Monday of the month	New
SP	S1C	1st Wednesday of the month	New
SP	S2C	2nd Wednesday of the month	New
SP	S3C	3rd Wednesday of the month	New
SP	S4C	4th Wednesday of the month	New
SP	S5C	5th Wednesday of the month	New
SP	EV1	1st Friday of the month	New
SP	EV2	2nd Friday of the month	New
SP	EV3	3rd Friday of the month	Original
SP	EV4	4th Friday of the month	New
SP	EV	End of Month	Original
SP	SP	Quarterly (3rd Friday)	Original

## Exhibit 2– Certain Upcoming Listing and Expiry Dates for Options Subject to Amendments

Option First Trade Date	Option Expiration Date	Option Contract	Option Contract Code	Exercise Price Array Policy
10/2/2018	10/15/2018	E-mini S&P 500 Monday Weekly Options - Wk3	E3AV8	New
10/2/2018	10/15/2018	S&P 500 Monday Weekly Options - Wk3	S3AV8	New
10/4/2018	10/17/2018	E-mini S&P 500 Wednesday Weekly Options - Wk 3	E3CV8	New
10/4/2018	10/17/2018	S&P 500 Wednesday Weekly Options - Wk 3	S3CV8	New
10/8/2018	11/9/2018	E-mini S&P 500 Weekly Options - Wk 2	EW2X8	New
10/8/2018	11/9/2018	S&P 500 Weekly Options - Wk 2	EV2X8	New
10/9/2018	10/22/2018	E-mini S&P 500 Monday Weekly Options - Wk4	E4AV8	New
10/9/2018	10/22/2018	S&P 500 Monday Weekly Options - Wk4	S4AV8	New
10/11/2018	10/24/2018	E-mini S&P 500 Wednesday Weekly Options - Wk 4	E4CV8	New
10/11/2018	10/24/2018	S&P 500 Wednesday Weekly Options - Wk 4	S4CV8	New
10/15/2018	11/23/2018	E-mini S&P 500 Weekly Options - Wk 4	EW4X8	New
10/15/2018	11/23/2018	S&P 500 Weekly Options - Wk 4	EV4X8	New
10/16/2018	10/29/2018	E-mini S&P 500 Monday Weekly Options - Wk5	E5AV8	New
10/16/2018	10/29/2018	S&P 500 Monday Weekly Options - Wk5	S5AV8	New
10/18/2018	11/7/2018	E-mini S&P 500 Wednesday Weekly Options - Wk 1	E1CX8	New
10/18/2018	11/7/2018	S&P 500 Wednesday Weekly Options - Wk 1	S1CX8	New
10/22/2018	2/15/2019	E-mini S&P 500 Weekly Options Wk 3	EW3G9	Original
10/22/2018	2/15/2019	S&P 500 Weekly Options Wk 3	EV3G9	Original
10/23/2018	11/5/2018	E-mini S&P 500 Monday Weekly Options - Wk1	E1AX8	New
10/23/2018	11/5/2018	S&P 500 Monday Weekly Options - Wk1	S1AX8	New
10/25/2018	11/14/2018	E-mini S&P 500 Wednesday Weekly Options - Wk 2	E2CX8	New
10/25/2018	11/14/2018	S&P 500 Wednesday Weekly Options - Wk 2	S2CX8	New
10/29/2018	12/7/2018	E-mini S&P 500 Weekly Options Wk 1	EW1Z8	New
10/29/2018	12/7/2018	S&P 500 Weekly Options Wk 1	EV1Z8	New
10/30/2018	11/12/2018	E-mini S&P 500 Monday Weekly Options - Wk2	E2AX8	New
10/30/2018	11/12/2018	S&P 500 Monday Weekly Options - Wk2	S2AX8	New
11/1/2018	4/30/2019	E-mini S&P 500 EOM Options	EWJ9	Original
11/1/2018	4/30/2019	S&P 500 EOM Options	EVJ9	Original