CME Group

# Special Executive Report

**S-8315R** **February 21, 2019**

## Update - Amendments to the Strike Price and Listing Schedule for Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures and Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures Contracts

(This SER supersedes SER 8315 dated January 17, 2019 and is being issued to amend the effective date from trade date Monday, February 25, 2019 to trade date Monday, March 11, 2019. No other changes have been made to the original SER.)

Effective Sunday, March 10, 2019, for trade date Monday, March 11, 2019, Chicago Mercantile Exchange Inc. ("CME") will amend the strike price listing schedule for Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures and Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures contracts (collectively, "Option Contracts") as described below.

| Commodity Code | Product | Current Strike Price Listing Schedule | Amended Strike Price Listing Schedule |
|---|---|---|---|
| Quarterly/Serial:<br>ADU<br>Vol Quoted:<br>VXA | Front Month Quarterly or Serial Option on Australian Dollar / U.S. Dollar (AUD/USD) Futures | 21 strike increments of 0.005 above and below the at-the-money (ATM) strike | 8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 8 strike increments of 0.0050 |
| Quarterly/Serial:<br>ADU<br>Vol Quoted:<br>VXA | All Other Quarterly and Serial Options on Australian Dollar / U.S. Dollar (AUD/USD) Futures | 21 strike increments of 0.005 above and below the at-the-money (ATM) strike | 10 strike increments of 0.0050 above and below the at-the-money (ATM) strike plus an additional 10 strike increments of 0.0100 |
| Friday Weekly:<br>1AD-5AD<br>Friday Weekly Vol Quoted:<br>VAA -VAE<br>Wednesday Weekly:<br>WA1-WA5<br>Wed Weekly Vol Quoted:<br>VA1 -VA5 | Australian Dollar / U.S Dollar (AUD/USD) Weekly Options | 21 strike increments of 0.005 above and below the at-the-money (ATM) strike | 8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 8 strike increments of 0.0050 |
| Quarterly/Serial:<br>CAU<br>Vol Quoted:<br>VXC | Front Month Quarterly or Serial Option on Canadian Dollar / U.S. Dollar (CAD/USD) Futures | 24 strike increments of 0.005 above and below the at-the-money (ATM) strike | 8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 8 strike increments of 0.0050 |
| Quarterly/Serial:<br>CAU<br>Vol Quoted:<br>VXC | All Other Quarterly and Serial Options on Canadian Dollar / U.S. Dollar (CAD/USD) Futures | 24 strike increments of 0.005 above and below the at-the-money (ATM) strike | 10 strike increments of 0.0050 above and below the at-the-money (ATM) strike plus an additional 10 strike increments of 0.0100 |

| Commodity Code | Product | Current Strike Price Listing Schedule | Amended Strike Price Listing Schedule |
|---|---|---|---|
| Friday Weekly: 1CD-5CD | Canadian Dollar / U.S Dollar (CAD/USD) Weekly Options | 24 strike increments of 0.005 above and below the at-the-money (ATM) strike | 8 strike increments of 0.0025 above and below the at-the-money (ATM) strike plus an additional 8 strike increments of 0.0050 |
| Friday Weekly Vol Quoted: VCA-VCE | | | |
| Wednesday Weekly: WD1-WD5 | | | |
| Wed Weekly Vol Quoted: VC1-VC5 | | | |

The Commodity Futures Trading Commission ("CFTC") will be notified of the aforementioned during the week of March 18, 2019, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

Exhibit 1 and Exhibit 2 provide amendments to CME Rulebook Chapter 255A Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures and CME Rulebook Chapter 252A Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures, respectively, in blackline format.

Please direct questions regarding this notice to:

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**Exhibit 1**

**CME Rulebook**

(additions underscored; deletions ~~struck through~~)

**Chapter 255A**
**Options on Australian Dollar/U.S. Dollar (AUD/USD) Futures**

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## 255A01. OPTIONS CHARACTERISTICS

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255A01.K. Exercise Prices and Listing of Exercise Prices

~~Regular exercise prices shall be stated in terms of U.S. dollars per Australian dollar at intervals of $0.005, e.g., $0.705, $0.710, $0.715, etc.~~

## ~~255A02. LISTING OF EXERCISE PRICES~~

1. Front Monthly Option~~s~~ in the March Quarterly Cycle ("Quarterly Option~~s~~") or Front Option Not in the March Quarterly Cycle (“Serial” Option)

   At the commencement of trading in a contract month, the Exchange shall list put and call options at the $0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ~~twenty-one~~ eight higher and next ~~twenty-one~~ eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the $0.0050 regular exercise price.

   When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0025 exercise price interval of the ~~twenty-first~~ eighth highest or ~~twenty-first~~ eighth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0025 and $0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

   The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Non-Front Quarterly and Serial Options ~~Not in the March Quarterly Cycle ("Serial" and "Weekly Options")~~

   At the commencement of trading in a contract month, the Exchange shall list put and call options at the $0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the $0.0100 regular exercise price.

   When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0050 and $0.0100 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

   The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

   ~~Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.~~

3. Weekly Options

At the commencement of trading in a weekly option, the Exchange shall list put and call options at the $0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Australian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the $0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Australian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0025 and $0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

~~3~~.4 Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

## 255A0~~3~~2. EXERCISE AND ASSIGNMENT

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## 255A0~~4~~3. [RESERVED]

**Exhibit 2**

**CME Rulebook**

(additions underscored; deletions ~~struck through~~)

## Chapter 252A
## Options on Canadian Dollar/U.S. Dollar (CAD/USD) Futures

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## 252A01. OPTIONS CHARACTERISTICS

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252A01.K. Exercise Prices and Listing of Exercise Prices

~~The exercise prices shall be stated in terms of U.S. dollars per Canadian dollar at intervals of $0.005, e.g., $0.700, $0.705, $0.710, etc.~~

## ~~252A02. LISTING OF EXERCISE PRICES~~

1. Front Monthly Option~~s~~ in the March Quarterly Cycle ("Quarterly Option~~s~~") or Front Option Not in the March Quarterly Cycle (“Serial” Option)

At the commencement of trading in a contract month, the Exchange shall list put and call options at the $0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ~~twenty-four~~ eight higher and next ~~twenty-four~~ eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the $0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0025 exercise price interval of the ~~twenty-fourth~~ eighth highest or ~~twenty-fourth~~ eighth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0025 and $0.0050 regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Non-Front Quarterly and Serial Options ~~Not in the March Quarterly Cycle ("Serial" and "Weekly Options")~~

At the commencement of trading in a contract month, the Exchange shall list put and call options at the $0.0050 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next ten higher and next ten lower regular exercise prices. The Exchange shall also list an additional ten higher and ten lower put and call options at the $0.0100 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0050 exercise price interval of the tenth highest or tenth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0050 and $0.0100 regular exercise price shall be listed for trading on the next trading day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

~~Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle futures option that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.~~

3. Weekly Options

At the commencement of trading in a weekly option, the Exchange shall list put and call options at the $0.0025 regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Canadian dollar/U.S. dollar futures, the Exchange shall list put and call options at the next eight higher and next eight lower regular exercise prices. The Exchange shall also list an additional eight higher and eight lower put and call options at the $0.0050 regular exercise price.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular $0.0025 exercise price interval of the eighth highest or eighth lowest existing regular exercise price for options on Canadian dollar/U.S. dollar futures, put and call options at the next higher or next lower $0.0025 and $0.0050 regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

~~3~~4. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.

## 252A0~~3~~2. EXERCISE AND ASSIGNMENT

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## 252A0~~4~~3. [RESERVED]