

## Chapter 64A

### Options on Southern Yellow Pine (Fastmarkets) Futures

#### 64A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Southern Yellow Pine (Fastmarkets) Futures. In addition to this chapter, options on Southern Yellow Pine (Fastmarkets) Futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate Central Prevailing Time (CPT).

#### 64A01. OPTIONS CHARACTERISTICS

##### 64A01.A. Contract Months

Trading may be scheduled in such months as determined by the Exchange and the number of months open for trading at a given time shall also be determined by the Exchange.

##### 64A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one (1) Southern Yellow Pine (Fastmarkets) Futures contract as specified in Chapter 64.

##### 64A01.C. Minimum Price Fluctuation

Prices shall be quoted in dollars per thousand board feet (mbf). The minimum price fluctuation shall be in multiples of \$.10 per mbf.

However, a position may be initiated or liquidated at a premium of \$1.00 per option contract.

##### 64A01.D. Underlying Futures Contract

Options in January, March, May, July, September, and November (Regular Cycle): For regular cycle options, the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in January is the January futures contract.

Options in February, April, June, August, October, and December (Serial Months): For serial month options, the underlying futures contract is the next futures contract that is nearest to the expiration of the option. For example, the underlying futures contract for an option that expires in February is the March futures contract.

##### 64A01.E. Exercise and Exercise Prices

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

##### 64A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### 64A01.G. Nature of Option

A call option on the Southern Yellow Pine (Fastmarkets) Futures contract represents an option for a buyer to assume a long position in the underlying Southern Yellow Pine (Fastmarkets) Futures contract at the strike price.

A put option on the Southern Yellow Pine (Fastmarkets) Futures contract represents an option for a buyer to assume a short position in the underlying Southern Yellow Pine (Fastmarkets) Futures contract at the strike price.

##### 6401.H. Termination of Trading

Options in January, March, May, July, September, and November (Regular Cycle) shall terminate on the same day as the underlying futures contract, which will be the Business Day prior to the 16<sup>th</sup> calendar day of the underlying contract month.

Options in February, April, June, August, October, and December (Serial Months) shall terminate on the Business Day prior to the 16<sup>th</sup> calendar day of the month of expiry, also known as the month prior to the underlying contract month.

**64A02. ASSIGNMENT**

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the assignment of Options on Southern Yellow Pine (Fastmarkets) Futures.

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified of the assignment as soon as practicable after such notice is assigned by the Clearing House.

The clearing member assigned an Exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position in the underlying futures contract if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised. All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the Exercise notice.

**64A03. DISCLAIMER**

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