

Advisory Notice

Clearing House

11-403

TO: Clearing Member Firms; Back Office Managers; Bookkeeping
Software Providers, ISVs

FROM: CME Clearing

SUBJECT: Short-Term Gold Option- Listing New Strike Prices

DATE: November 7, 2011

Effective Sunday, November 6, 2011, for trade date Monday, November 7, 2011, the Commodity Exchange, Inc. (COMEX or Exchange) will expand the strike price listing rule for the Short-Term Gold Option contract (Chapter 1067, commodity code L01-L31). The expansion from ten (10) to forty (40) strike price increments is intended to provide the trading community with greater flexibility. Short-Term Gold Options are listed for trading on the COMEX trading floor and CME Globex and for submission for clearing through CME ClearPort. The Exchange shall provide notification of the expansion of strike price increments to the Commodity Futures Trading Commission within one week following the effective date of these changes.

Trading shall be conducted for options with strike prices in increments as set forth below.

(A) On the first business day of trading in an option contract day, trading shall be at the following strike prices: (i) the previous day's settlement price for Gold futures contracts in the corresponding delivery month rounded off to the nearest five-dollar increment strike price unless such settlement price is precisely midway between two five-dollar increment strike prices in which case it shall be rounded off to the lower five-dollar increment strike price and (ii) the [forty](#) five-dollar increment strike prices which are [forty](#) increments higher than the strike price described in (i) of this rule 1067.04(A) and (iii) the [forty](#) five-dollar increment strike prices which are [forty](#) increments lower than the strike price described in (i) of this rule 1067.04(A).

(B) Thereafter, on any business day prior to the expiration of the option: (i) new consecutive five-dollar increment strike prices for both puts and calls will be added such that at all times there will be at least [forty](#) five-dollar increment strike prices above and below the at-the-money strike price available for trading in all option contracts;

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in Short-Term Gold option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a Short-Term Gold option in which no new strike prices may be introduced.

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