



# Nikkei 225 Futures and Options

FOR JAPANESE BENCHMARK ACCESS WITH CAPITAL SAVINGS, TRY A NEW ANGLE.

## Overview

Nikkei 225 futures and options on futures provide investors around the globe with an efficient way to access the opportunities of the Japanese equity market, one of the world's largest markets today (in terms of market capitalization). The contracts track the benchmark Nikkei 225 Stock Average, with futures offered in both yen- and U.S. dollar-denominated contracts, to better serve customers with portfolios of investments in those currencies.

## Market Participants

Institutional clients and investors seeking Japanese equity market exposure and investment opportunities:

- Pension and money managers
- Hedge funds
- Transition managers
- Financial institutions and investment banks
- Proprietary trading firms and trading arcades
- Individual investors

## Benefits

International exposure: access the Japanese equity market through the benchmark Nikkei 225 Stock Average

- **Flexibility in contract offering:**
  - Yen- and USD-denominated futures;
  - Yen-denominated options
  - Standard and E-mini sized yen-denominated futures
- **Mutual Offset System:** execute NIY and NKD futures at CME Group or SGX for greater access and trading across time zones
- **Global availability:** access contracts on CME Globex, a highly-reliable electronic trading platform proven by the test of time, around-the-clock
- **Sophisticated trading:** use a variety of strategies, including global asset allocation, risk management, index spreading and arbitrage
- **Security of central clearing:** enjoy counterparty risk mitigation through CME Clearing

## About the Nikkei 225 Stock Average

The Nikkei 225 Stock Average is one of the oldest barometers of the Japanese market, first calculated in 1949. It is structured to reflect the Japanese stock market using the 225 top-rated, blue-chip Japanese companies listed in the First Section of the Tokyo Stock Exchange (TSE), featuring such familiar company names as Sony and Honda. The Nikkei 225 Stock Average is price-weighted, so that higher-priced stocks have a greater percentage impact on the Index than lower-priced stocks.

## The Mutual Offset System

Though a special arrangement between CME Group and the Singapore Exchange (SGX), traders of yen- and U.S. dollar-based Nikkei 225 contracts have the ability to take positions at either exchange, and later clear those trades at either CME or SGX the same trading day. As a result, traders can execute trades in both markets and then have the ability to clear those trades in their preferred time zone of choice.

## Contract Specifications

	Futures (USD-denominated)	Futures (Yen-denominated)	Options (Yen-denominated)
<b>Ticker Symbols</b>	NKD	Standard: NIY E-mini: ENY	Quarterly: NKW Serial: NKY
<b>Contract Size</b>	\$5.0 x Nikkei 225 Stock Average	Standard: ¥ 500 x Nikkei 225 Stock Average E-mini: ¥100 times x Nikkei 225 Stock Average	One CME yen-denominated Nikkei Stock Average futures contract
<b>Minimum Price Fluctuation (Tick Size)</b>	5.00 index points = \$25.00	Standard: 5.00 index points = ¥ 2500 E-mini: 10 Index points = ¥1,000	1 index point (= ¥ 500)
<b>Trading Hours</b> All times listed in Central Time (CT)	<b>CME Globex</b> <b>Monday – Friday 5:00 p.m. previous day – 4:00 p.m.; trading halt from 3:15 p.m. – 3:30 p.m.</b>		
<b>Contract Months</b>	4 quarterly months (Mar, Jun, Sep, Dec)	Standard: 12 quarterly months (Mar, Jun, Sep, Dec) and 3 serial months (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov) E-mini: 4 quarterly months (Mar, Jun, Sep, Dec)	2 quarterly months (Mar, Jun, Sep, Dec) and 2 serial months (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov)
<b>Last Trading Day</b> All times listed in CT	4:15 p.m. on Business Day prior to 2nd Friday of the contract month	Standard: 4:15 p.m. on the Thursday prior to the 2nd Friday of the contract month  E-mini: 3:15 p.m. on the Thursday prior to the second Friday of the contract month	Quarterly: 4:15 p.m. on the Thursday prior to the 2nd Friday of the contract month  Serial: 3:00 p.m. Osaka, Japan time on the 2nd Friday of the contract month
<b>Minimum Block Trade Size</b>	50 contracts	Standard: 50 contracts E-mini: 250 contracts	50 contracts
<b>Price Limits</b>	8/12/16% up/down limits established quarterly.		Options trading is not permitted during trading halts due to price limit events
<b>Settlement</b>	Cash settled. Final Settlement Price is based on a Special Opening Quotation of the Nikkei 225 Stock Average referencing the opening values of constituent stocks. The Final Settlement Price is determined on the second Friday of the contract month by the Osaka Securities Exchange.	Cash settled. Final Settlement Price is based on a Special Opening Quotation of the Nikkei 225 Stock Average referencing the opening values of constituent stocks. The Final Settlement Price is determined on the second Friday of the contract month by the Osaka Securities Exchange.	<b>Quarterly Options:</b> Options which are in-the-money on the last day of trading are automatically exercised. In-the-money Quarterly Options are exercised into expiring cash-settled futures, which settle to the Special Opening Quotation ("SOQ"). <b>Serial Options:</b> Option exercise results in a position in the underlying cash-settled Futures contract (For example, the underlying futures contract for options on the Nikkei Yen Denominated Stock Average futures that expire in January or February is the March futures contract); Options which are in-the-money on the last day of trading are automatically exercised. A 3:00 p.m. Osaka, Japan time price fixing based on the volume weighted average price of OSE mini Nikkei futures traded in the last 30 seconds of trading (2:59:30 to 3:00:00 p.m. Osaka, Japan time) on serial option expiration day will be used to determine which options are in-the-money. Contrarian instructions are not permitted on serial options.

Learn more about Nikkei 225 futures and options at [cmegroup.com/nikkei](https://cmegroup.com/nikkei).

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