



August 21, 2018

CME Group to Streamline Short-Dated Standard and E-mini S&P 500 Options Strike Prices

New methodology will reduce number of strike prices by 40 percent, providing more relevant pricing to customers

CHICAGO, Aug. 21, 2018 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, plans to reduce the number of listed strike prices for Standard and E-mini S&P 500 options, pending regulatory review. This change is designed to offer a more relevant mix of strike prices for short-term investors. It will apply to Monday, Wednesday and Friday weekly expirations that are listed after Oct. 1, 2018. This change will exclude Standard and E-mini S&P 500 options that expire on the third Friday of every month, as well as end-of-month and quarterly E-mini S&P 500 options.

Over the last few years, the market for short-dated S&P 500 options on futures has grown, as have the number of strike prices associated with Monday- Wednesday- and Friday weekly options contracts. Based on how client risk management needs have changed, CME Group will reduce the number of strikes offered by 40% while maintaining the ability to list new strikes daily should the market move. This new approach is designed to increase liquidity in the most-used strike prices as well as ensure the appropriate mix of strikes for short-term investors.

"We know short-dated options are an important tool for investors looking to manage risk around major market events," said Tim McCourt, Global Head of Equity Index Products for CME Group. "Optimizing strike prices to reflect the expected range for the market will provide investors with greater precision and a streamlined trading experience."

"With this change, CME Group will improve the efficiency and simplicity of its options on futures markets and ultimately the liquidity of the market," said JB Mackenzie, Managing Director of Futures and Forex at TD Ameritrade. "This will make it easier for retail clients to make strike selections at a time where their interest in options on futures continues to grow."

New Strike Listing Policy		
Strike Interval	% UP	% DOWN
5-index point interval	+5% above prior day's settlement	-15% below prior day's settlement
10-index point interval	+10% above prior day's settlement	-25% below prior day's settlement
25-index point interval	+15% above prior day's settlement	-35% below prior day's settlement

Standard and E-mini S&P 500 futures and options are listed by and subject to the rules of CME. More information is available at cmegroup.com/equityoptionstrike. Please visit CME Institute for information on CME Group strike price intervals: institute.cmegroup.com/courses/introduction-to-options/modules/what-is-exercise-price-strike.

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on [interest rates](#), [equity indexes](#), [foreign exchange](#), [energy](#), [agricultural products](#) and [metals](#). Around the world, CME Group brings buyers and sellers together through its [CME Globex®](#) electronic trading platform. CME Group also operates one of the world's leading central counterparty clearing providers through [CME Clearing](#), which offers clearing and settlement services across asset classes for exchange-traded and over-the-counter derivatives. CME Group products and services ensure that businesses around the world can effectively manage risk and achieve growth.

CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex and E-mini are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of Board of Trade of the City of Chicago, Inc. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. Dow Jones, Dow Jones Industrial Average, S&P 500 and S&P are service and/or trademarks of Dow Jones Trademark Holdings LLC, Standard & Poor's Financial Services LLC and S&P/Dow Jones Indices LLC, as the case may be, and have been licensed for use by Chicago Mercantile Exchange Inc. All other trademarks are the property of their respective owners.

 View original content:<http://www.prnewswire.com/news-releases/cme-group-to-streamline-short-dated-standard-and-e-mini-sp-500-options-strike-prices-300699795.html>

SOURCE CME Group

News Provided by Acquire Media