



# TRADER E-NEWS

Information Circular IC10-151 September 10, 2010

## CFE TO LIST WEEKLY OPTIONS ON VIX FUTURES

- ▶ Yesterday, CBOE Futures Exchange announced it plans to introduce trading in its first options contract – Weekly options on VIX futures (ticker symbol VOW). The new contracts will be available for trading beginning **Tuesday, September 28**, subject to regulatory approval.
- ▶ Weekly options on VIX futures will have four consecutive contracts with weekly expirations, and CFE will add a new contract when the near-term contract expires; investors can select a contract with either one, two, three or four weeks to expiration, giving added flexibility to choose a desired timeframe. (Current Weeklys on security options begin trading on Thursdays and expire the following Friday, approximately a one-week timeframe.)
- ▶ In addition:
  - Exercise will be American style, with exercise allowable on any day up to and including the expiration date.
  - Expiration will be on Fridays (unless a CFE holiday), and will never correspond with VIX futures expiration dates (i.e., the Wednesday that is 30 days prior to an SPX option expiration date).
  - Settlement will feature physical settlement – one futures contract for each expiring options contract.
- ▶ For more information, see the Press Release at [www.cboe.com/AboutCBOE/WhatsNew.aspx](http://www.cboe.com/AboutCBOE/WhatsNew.aspx).
- ▶ To see the complete product specifications, please refer to [http://cfe.cboe.com/Products/Spec\\_VIXWeeklys.aspx](http://cfe.cboe.com/Products/Spec_VIXWeeklys.aspx).

## QUALIFIED WAIVER OF \$.18 CUSTOMER TRANSACTION FEE IN SPY OPTIONS

- ▶ Effective this past Tuesday, September 7 through November 30, 2010, the customer transaction fee in options on SPY of \$.18/contract will be waived for all business executed either in open outcry or in the CBOE Automated Improvement Mechanism (AIM). Additionally, CBOE continues to waive transaction fees for customer orders of 99 contracts or less in all ETF, ETN and HOLDRs options regardless of their execution venue.
- ▶ Refer to Regulatory Circular RG10-095 at [www.cboe.org/legal/crclReg.aspx](http://www.cboe.org/legal/crclReg.aspx).

## C2 CONNECTIVITY AND TRADING PERMIT INFORMATION

- ▶ As announced last week, information is now available for connectivity to and trading permits for C2, the new all-electronic exchange, scheduled to launch in late October.
- ▶ Please refer to Information Circular C2-IC10-002, which contains complete information -- including a Q&A -- on these and other related issues on C2. The IC can be viewed at [www.cboe.org/legal/crclc2rulefilings.aspx](http://www.cboe.org/legal/crclc2rulefilings.aspx).
- ▶ We encourage your input on these and other Exchange matters. Please feel free to contact us directly with your comments.

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