



Cboe Offers SPX/RUT Multi-Class Spreads

Reference ID: C2020081101

Overview

Applicable Cboe Exchange: Cboe Options

Effective August 21, 2020, Cboe Options Exchange ("C1") will begin support for open outcry trading of all combinations of S&P 500 Index Options (SPX/SPXW) versus Russel 2000 Index options (RUT/RUTW) multi-class spreads (SPX/RUT; SPX/RUTW; SPXW/RUT; SPXW/RUTW).

Pursuant to Rule 5.6(c), a multi-class spread order is an order to buy a stated number of contracts of a Broad-Based Index Option and to sell an equal number, or an equivalent number, of contracts of a related Broad-Based Index Option. As with any multi-class spread, Rule 5.85(d) requires that an SPX/SPXW versus RUT/RUTW spread order must be entered on a single order ticket at time of systemization and must be represented at a trading station at which one of the applicable classes trades (i.e., a primary trading station). Immediately after (or concurrent with) the announcement of the order at the primary trading station, the representing Trading Permit Holder (TPH) must contact the Designated Primary Market-Maker (DPM), Lead Market-Maker (LMM) or appropriate Exchange staff at the trading station where the other applicable class trades to announce the order to the other trading crowd.

Technical Details

- Consistent with order handling for all multi-class spreads, SPX/SPXW versus RUT/RUTW spread orders will be routed to PAR and will not be eligible for electronic processing via COA, COB, AIM, or SAM.
- SPX/SPXW versus RUT/RUTW spread orders marked electronic-only will be rejected.
- The only permitted ratio will be 1:1. Orders with any other ratio will be rejected.
- Only one SPX/SPXW and one RUT/RUTW leg will be supported. Orders with more than one SPX/SPXW leg or more than one RUT/RUTW leg will be rejected.
- The minimum Price Increment for orders and executions will be \$0.05. However, leg prices will be permitted in \$0.01 increments.
- The strategy product will reside exclusively on Matching Unit 35.

Testing Opportunities

Testing of the new SPX/RUT multi-class spreads is currently available in the C1 certification environment.

Additional Information

The complete list of eligible Multi-Class Spread Orders as well as the equivalent number of contracts for each combination, as designated by the Exchange, is as follows:

- Any combination of VIX, VXX, VXZ, and BVZ – 1 VIX contract to 1 VXX contract to 1 VXZ contract to 1 BVZ contract
- Any combination of SPX, SPXW, SPXPM, BSZ, XSP, and SPY – 1 SPX, SPXW, SPXPM, or BSZ contract to 10 XSP or SPY contracts; 1 XSP contract to 1 SPY contract
- Any combination of OEF, OEX, XEO, SPX, SPXW, SPXPM, and XSP – 20 OEF contracts to 2 OEX or XEO contracts to 1 SPX, SPXW, or SPXPM contract to 10 XSP contracts
- Any combination of MNX, NDX, and QQQ – 10 MNX contracts to 1 NDX contract to 40 QQQ contracts
- DIA and DJX – 1 DIA contract to 1 DJX contract
- IWM and RUT – 10 IWM contracts to 1 RUT contract
- IWB and RUI – 10 IWB contracts to 1 RUI contract
- IWD and RLV – 10 IWD contracts to 1 RLV contract
- IWF and RLG – 10 IWF contracts to 1 RLG contract
- EFA and MXEA – 30 EFA contracts to 1 MXEA contract
- EEM and MXEF – 25 EEM contracts to 1 MXEF contract

For more information, please refer to the following technical specifications.

- [US Options Complex Book Process](#)

Please contact the Cboe Trade Desk for support or with any questions.

We appreciate your business. Our trading community inspires and drives our mission of defining markets.

Cboe Trade Desk

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