



Reminder – SPX/SPXW Opening Process on VIX Options and Futures Settlement Dates During Extreme Market Conditions

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Overview

Applicable Cboe Exchange: Cboe Options

In the event of extreme market conditions leading into the opening of S&P 500 (SPX) Index Options and specifically SPX Weekly Options (option ticker: SPXW) on the November 4, 2020 settlement day for VIX options and VIX futures, Cboe Options Exchange (Cboe) plans to follow the opening process outlined below.

Technical Details

In the event Cboe determines that the interests of a fair and orderly market require, Cboe will delay the opening of SPXW options, including the constituent series used to calculate the final settlement value for expiring VIX options and VIX futures. Cboe anticipates that the special opening quotation (SOQ) utilized for that calculation will use the prices of constituent series determined in that delayed opening. Cboe does not plan to reduce the time until expiration for the constituent series in the event of a delayed opening. Considerations that may lead to a determination to delay the SPXW opening include, but are not limited to, the primary futures contract month in E-mini S&P 500 Index futures traded on Chicago Mercantile Exchange being limit offered or limit bid at 9:15 a.m. ET on that morning. Cboe does not anticipate delaying the opening of the SPX standard 3rd Friday options.

If Cboe is not able to determine the final settlement value for VIX options and VIX futures (i.e., unable to open constituent series needed to calculate the SOQ), Cboe and Cboe Futures Exchange (CFE) rules each provide that the final settlement value will be determined in accordance with The Options Clearing Corporation (OCC) By-Laws. In such a situation, OCC may fix the exercise settlement amount by convening a panel of exchange representatives to determine a final settlement value.

The description above addresses a settlement day for weekly VIX options and futures like November 4, 2020. If these circumstances were to occur on a settlement day for standard monthly VIX options and futures, the same description applies except that it would be the opening of SPX standard 3rd Friday options that would be delayed and Cboe would not anticipate delaying the opening of SPXW options.

Additional Information

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

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

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