Cboe Global Indices

Consultation Regarding the Cboe DJIA BuyWrite V2 Index Options Pricing Source

Reference ID: C2023101100

OVERVIEW

October 11, 2023: Cboe Global Indices, LLC ("CGI") is conducting a consultation with members of the financial community regarding a potential change to the options pricing source used in the calculation of the Cboe DJIA BuyWrite V2 Index.

IMPACTED INDICES

Index Name	Index Ticker	Methodology Document
Cboe DJIA BuyWrite V2 Index	BXDE	BXDE_Methodology.pdf (cboe.com)

SUMMARY OF THE PROPOSED CHANGE

Modification to the Source of Option Prices

Summary: Currently, the calculation of the Cboe DJIA BuyWrite V2 Index sources prices for the Dow Jones Industrial Average (DJX) options from the Cboe Options Exchange. CGI is proposing to use consolidated DJX option prices from both the Cboe Options Exchange and Cboe C2 Options Exchange via the Options Price Reporting Authority (OPRA) feed. The consolidated DJX option prices would be used in all areas of the calculation methodology, including the strike selection, determination of the volume-weighted average of the traded prices ("VWAP"), and calculation of index levels.

Current Methodology	Proposed Methodology
The strike price of the new call option is the DJX call option listed on the **Cboe exchange** with the closest strike price at or above the last value of the DJX reported before 11:00 a.m. ET.	The strike price of the new call option is the DJX Option listed on the **Cboe Exchanges** with the closest strike price at or above the last value of the DJX Index reported before 11:00 a.m. ET.
n/a	The market data for the Dow Jones Industrial Average call option quotes are sourced from the Cboe Options Exchange and Cboe C2 Options Exchange (hereinafter referred to as the "Cboe Exchanges") via the Options Price Reporting Authority (OPRA) feed.

TIMING OF CONSULTATION AND POTENTIAL CHANGES

The consultation period will end at the close of business on **Wednesday, October 25, 2023**.

Following the close of the consultation period, all feedback will be reviewed and considered. The Index Committee will decide whether to implement the proposed change and announce the consultation results. An additional consultation may be initiated if CGI has additional questions.

Consultation results and the updated methodology (if any proposals are adopted) are currently expected to be available by the week of **Monday, November 6, 2023**, with any changes becoming effective with the **November 17, 2023** monthly roll.

CONSULTATION QUESTIONS

In responding to this consultation, please address the following questions. Additionally, please include other information you feel would be helpful for assessing the subject matter of this consultation.

1. Do you agree with the proposal to source DJX options prices from both the Cboe Options Exchange and Cboe C2 Options Exchange?
2. Do you agree with the proposed timeline to implement the changes?
3. Any additional comments or suggestions?

To participate in this consultation, please send responses to: IndexConsultation@cboe.com

Please include “Index Consultation: Cboe DJIA BuyWrite V2 Index Options Pricing Source” in the subject line of any response.

We appreciate your participation in this consultation and will publish a summary of feedback in the results announcement. No feedback will be attributed to a particular respondent in the summary published.

Consultation documents can be accessed here.

ADDITIONAL INFORMATION

Please contact the Cboe Operations Support Center with technical questions, or the Cboe Index Data Group with market data questions.

We appreciate your business. Our trading community inspires and drives our purpose of building trusted markets.

Cboe Operations Support Center
312.786.7642 | osc@cboe.com

Cboe Index Data Group
312.786.7317 | indexdata@cboe.com

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