

Cboe® | Global Indices

Consultation Regarding the Options Pricing Source for the Cboe Russell 2000 BuyWrite Index and the Cboe Russell 2000 Half BuyWrite Index

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OVERVIEW

March 18, 2025: Cboe Global Indices, LLC (“CGI”) is conducting a consultation with members of the financial community regarding a potential modification to the options pricing source for the Cboe Russell 2000 BuyWrite Index (BXR) and the Cboe Russell 2000 Half BuyWrite Index (BXRH), referred to in this document as “the Indices”.

IMPACTED INDICES

Index Name	Index Ticker	Methodology Document
Cboe Russell 2000 BuyWrite Index	BXR	Cboe BuyWrite Indices Methodology.pdf
Cboe Russell 2000 Half BuyWrite Index	BXRH	Cboe Half Buywrite Indices Methodology.pdf

SUMMARY OF THE PROPOSED CHANGE

Modification to the Options Pricing Source

Summary: Currently, the calculation of the Indices sources prices for the Russell 2000 (RUT) options from the Cboe Options Exchange. CGI is proposing to use consolidated RUT option prices from the Cboe Options Exchange, the Cboe C2 Options Exchange and Cboe BZX Options Exchange (“the Cboe Options Exchanges”) via the Options Price Reporting Authority (OPRA) feed. The consolidated RUT 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.

Index	Current Methodology	Proposed Methodology
BXR	Index Objective The Cboe Russell 2000 BuyWrite Index (BXR) is designed to measure the total rate of return of a hypothetical “covered call” strategy applied to the Russell 2000. This strategy consists of a hypothetical portfolio consisting of a “long” position indexed to the Russell 2000 Index on which are deemed sold a succession of one-month, at-the-money call options on the Russell 2000 Index listed on the Cboe exchange.	Index Objective The Cboe Russell 2000 BuyWrite Index (BXR) is designed to measure the total rate of return of a hypothetical “covered call” strategy applied to the Russell 2000. This strategy consists of a hypothetical portfolio consisting of a “long” position indexed to the Russell 2000 Index on which are deemed sold a succession of one-month, at-the-money call options on the Russell 2000 Index listed on the Cboe Options Exchanges .
	Strike price selection Option listed on the Cboe Options Exchange with the closest strike price at or above the last value of the Russell 2000 Index reported before 11:00 a.m. ET.	Strike price selection Option listed on the Cboe Options Exchanges with the closest strike price at or above the last value of the Russell 2000 Index reported before 11:00 a.m. ET.

Index	Current Methodology	Proposed Methodology
	<p>Options Pricing The call option quotes are sourced from one or multiple Cboe Options Exchanges, via the Options Price Reporting Authority (OPRA) feed. For Indices where option prices are sourced from multiple Cboe Options Exchanges, the Best Bid and Offer prices are used.</p> <p>For BXR, the option prices are sourced from the Cboe Options Exchange.</p>	<p>Options Pricing The call option quotes are sourced from one or multiple Cboe Options Exchanges, via the Options Price Reporting Authority (OPRA) feed.</p> <p>For Indices where option prices are sourced from multiple Cboe Options Exchanges, the Best Bid and Offer prices are used. Additionally, the VWAP calculation uses prices from all exchanges specified for the Index.</p> <p>For BXR, the option prices are sourced from the Cboe Options Exchange, the Cboe C2 Options Exchange, and Cboe BZX Options Exchange.</p>
BXRH	<p>Index Objective The Cboe Russell 2000 Half BuyWrite Index (BXRH) measures the total rate of return of a hypothetical “covered call” strategy applied to the Russell 2000. The BXRH Index is similar in design to the Cboe Russell 2000 BuyWrite Index (BXR). However, the difference in methodology is as follows: the strategy only writes half a unit of an ATM monthly RUT Call option while the long RUT Index position remains unchanged. This strategy consists of a hypothetical portfolio consisting of a “long” position indexed to the Russell 2000 Index on which are deemed sold a succession of one-month, at-the-money call options on the Russell 2000 Index listed on the Cboe exchange.</p> <p>Options Pricing The call option quotes are sourced from the Cboe Options Exchange via the Options Price Reporting Authority (OPRA) feed.</p>	<p>Index Objective The Cboe Russell 2000 Half BuyWrite Index (BXRH) measures the total rate of return of a hypothetical “covered call” strategy applied to the Russell 2000. The BXRH Index is similar in design to the Cboe Russell 2000 BuyWrite Index (BXR). However, the difference in methodology is as follows: the strategy only writes half a unit of an ATM monthly RUT Call option while the long RUT Index position remains unchanged. This strategy consists of a hypothetical portfolio consisting of a “long” position indexed to the Russell 2000 Index on which are deemed sold a succession of one-month, at-the-money call options on the Russell 2000 Index listed on the Cboe Options Exchanges.</p> <p>Options Pricing The call option quotes are sourced from one or multiple Cboe Options Exchanges, via the Options Price Reporting Authority (OPRA) feed.</p> <p>For Indices where option prices are sourced from multiple Cboe Options Exchanges, the Best Bid and Offer prices are used. Additionally, the VWAP calculation uses prices from all exchanges specified for the Index.</p> <p>For BXRH, the option prices are sourced from the Cboe Options Exchange, the Cboe C2 Options Exchange, and Cboe BZX Options Exchange.</p>

TIMING OF CONSULTATION AND POTENTIAL CHANGES

The consultation period will end at the close of business on **Monday, April 7, 2025.**

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

Consultation results and the updated methodology (if the proposal is adopted) are currently expected to be available by the week of **April 7, 2025**, with any changes becoming effective with the roll on **Friday, May 16, 2025.**

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 proposed modification to the options pricing source for the Indices?
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: Modification to the Options Pricing Source for the BXR and BXRH Indices" 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

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Cboe Index Data Group

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