



# **Weekly Option Contracts**

**Frequently Asked Questions**

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## **What are ICE Futures U.S. (IFUS) weekly options?**

IFUS weekly options are short-life, American-style options with terms that generally match the terms of the regular monthly options on IFUS futures contracts – strike prices, minimum price quote, trading hours, exercise into the underlying futures contract, etc.—but that expire on a different date than the regular monthly option.

## **What is the underlying futures contract for each weekly option contract?**

For each weekly option contract, the underlying futures contract is the first listed futures contract for which the regular monthly option on the futures contract has not yet expired. For example, the underlying futures contract for the Sugar No. 11 weekly option that expires on July 11, 2014 would be the October 2014 Sugar No. 11 futures contract.

Note that for weekly options on Cotton No. 2 futures, the October cotton futures contract is not eligible to be the underlying futures contract for weekly cotton options; only the March, May, July and December cotton futures may be the underlying future contracts for the weekly cotton options contracts.

## **How many weekly option contracts are listed for trading at any time?**

For each futures contract, three weekly option contracts are listed for trading at any time. A new weekly option contract is listed for trading on the next business day following the last trading day of another weekly option on the same future. This means that each weekly option contract is listed for trading for approximately four weeks.

## **What is the naming/product code convention for IFUS weekly options?**

**NOTE – THE PRODUCT CODE CONVENTION FOR THESE PRODUCTS IS CHANGING IN SEPTEMBER 2014, AS DETAILED BELOW.**

**FOR WEEKLY OPTION CONTRACTS LISTED FOR TRADING ON AND AFTER SEPTEMBER 8, 2014:**

Sugar No. 11 Weekly Options – SBW  
Coffee “C” Weekly Options – KCW  
Cotton No. 2 Weekly Options – CTW

For Weekly Option contract, the “strip” field expresses the actual last trading day of the contract. For example, Cotton No. 2 Weekly Option with the contract symbol “CTW” and a strip of “7-25-14” expires on July 25, 2014.

## **FOR WEEKLY OPTION CONTRACTS LISTED FOR TRADING PRIOR TO SEPTEMBER 8, 2014:**

The naming/product code convention has two components: a product code and a month/year code. The product code employs a two-digit alphabetic code to identify the futures contract that underlies the weekly option (i.e., coffee vs. sugar vs. cotton) plus a one-digit numeric code to identify the Friday of the month in which the weekly option expires. The month/year code uses a one-letter alpha code and a two-digit number code to identify the calendar month and year in which the weekly expires.

For example, the weekly option contract on the Sugar No. 11 futures contract that expires on the first Friday of April has a product code of “SO1” and a month code of “J12.” The contract and month code for the Coffee “C” weekly option contract that expires on the third Friday of May is “KO3 K12.”

### **When do weekly options contracts expire?**

The last trading day of each weekly option is the designated Friday of the named month; in the event that such a Friday is not an Exchange business day, then the last trading day for that weekly option contract would be the prior business day. In an instance in which a particular Friday is already the last trading day for a regular monthly option contract on the same underlying futures contract, the weekly option contract that would expire on that Friday will not be listed for trading.

On the last trading day, trading in each weekly option ends at the same time that trading in an expiring monthly option on the related futures contract ends.

### **How are weekly option positions remaining open at expiration handled?**

Weekly option expirations are handled in the same way as monthly option expirations for the respective futures contract. Long options positions that are in-the-money at expiration (based upon the daily settlement price of the underlying futures contract on the weekly option’s last trading day) are automatically exercised into the appropriate position in the underlying futures contract, unless written instructions to abandon the option are received by the relevant time deadline on last trading day. Holders of long options positions that are out-of-the-money at expiration may also elect to exercise those options, using the same procedures and under the same time deadlines already in place for monthly options on the futures contract.

### **Are weekly options treated the same way as other IFUS options for the purposes of all IFUS regulations?**

Yes, weekly options are treated the same way as other IFUS options with respect to trading rules like reasonability limits, No-Cancel Ranges (NCRs), block trades and trading hours, and with respect to market regulations like position limits, pre-execution discussion and EOOs.