

Nanos by Cboe, the Smaller and Simpler Option, Planned for Launch on March 14

Feb 02, 2022



Designed to make options trading more accessible for investors

1/100th the size of Mini-S&P 500 Index options contract

One-multiplier, cash-settled (no delivery of physical shares) and European-style (no early exercise)

CHICAGO, Feb. 2, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced it plans to launch trading in Nanos by Cboe beginning Monday, March 14, subject to regulatory approvals. At a fraction of the size of a standard options contract, Nanos is a first of its kind, one-multiplier, cash-settled listed options contract that will help provide greater access to options trading. The new contracts will be listed exclusively on the Cboe Options Exchange.

Nanos will be available to trade based on the value of the S&P 500 Index¹, providing investors with a simple and cost-effective way to gain broad exposure to the U.S. equity market and execute hedging, asset allocation and income generation strategies.

"Cboe's investment in Nanos is specifically designed to meet the needs of today's growing retail trading community," said Ed Tilly, Chairman, President and CEO of Cboe Global Markets. "Our goal is to broaden accessibility to options, empower new market participants with education, and enable them to better express their opinions on market movements. Nanos are the first option of its kind that we believe will provide a new and simpler way to begin trading options, allowing investors that are new to options trading to start small and learn the potential benefits that index options can provide."

With a smaller multiplier than standard options contracts, Nanos S&P 500 options (ticker: NANOS) allow traders to express their opinions on market movements at a lower cost than options with larger contract sizes and thus higher notional values. The product is expected to result in an average premium price of approximately \$5 per contract (excluding applicable transaction fees and broker commissions), lowering the financial barrier to entry for many investors. In addition, at 1/100th the size of the Mini-S&P 500 Index options (XSP) contract, Nanos are designed to help traders more easily identify and size trades, providing them with greater precision when hedging or taking a directional position.

Nanos will be available to investors who are approved by their retail brokerages to trade options. To complement the launch of Nanos, the Cboe Options Institute plans to offer a new options introductory curriculum tailored to retail traders. In addition, Cboe expects to work with retail brokerages to provide additional educational resources and tools to help investors better understand the characteristics of options and build the knowledge they need to trade with confidence.

"Interactive Brokers is committed to offering a wide range of products at a low cost that address our clients' evolving needs," said Steve Sanders, Executive Vice President of Marketing and Product Development at Interactive Brokers. "We are pleased to now offer Nanos, which will provide active traders with cost-effective trading opportunities and expanded access to the options market. We look forward to continuing our existing relationship with Cboe to provide more innovative solutions and educational resources to benefit our clients."

"TradeStation is pleased to be day one supporters of Nanos, which we believe will lower the barrier of entry to options trading for many investors," said John Bartleman, President and CEO of TradeStation Group, Inc. "As interest in options trading continues to grow, we believe Nanos will appeal to all types of traders, including those who are new to this asset class and seeking to build their knowledge and experience with options."

"Tradier is excited to collaborate with Cboe to expand access to options trading for more investors," said Kevin Luthringshausen, Senior Vice President of Business Development at Tradier. "We remain committed to serving the growing retail trading community and believe Nanos will empower these investors in ways like never before, offering them a new and innovative way to begin trading options and execute hedging and income generation strategies."

"Webull's clients are at the core of our business, and we are pleased to offer Nanos so that a greater universe of investors can learn about the usability and benefits that options can provide," said Brendan Fuller, Managing Director, Financial Risk at Webull Financial LLC. "Designed to make options accessible for all, Nanos empowers investors with lower costs and new trading opportunities, regardless of account size. We are pleased to collaborate with Cboe to expand our educational offerings and help investors learn the utility of options trading."

"As many retail investors continue to grow their knowledge base and investment portfolios, index options can be a valuable tool to help protect or enhance their investments in a variety of market conditions," said Rob Hocking, Senior Vice President and Head of Derivatives Strategy at Cboe Global Markets. "We believe investors' access to options, like any other securities, must be appropriately supported with investor education, and Cboe is committed to offering best-in-class educational resources to help new traders learn about this new product and the prudent use of options."

Listed options are a time-tested and valuable investment tool that allow market participants to gain market exposure and manage their portfolio risk, however, it is important that new investors understand how to use options products and the potential risks².

Nanos S&P 500 will be cash-settled (meaning traders don't have to worry about buying or selling the underlying asset at expiration) and European-style (which have no early exercise option) with P.M.-settlement. To learn more about Nanos by Cboe, visit www.cboe.com/nanos. For information about Cboe's proprietary index options products, visit www.cboe.com/tradable_products.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives and FX, across North America, Europe and Asia Pacific. To learn more, visit www.cboe.com.

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Cautionary Statements Regarding Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.


We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the impact of the novel coronavirus ("COVID-19") pandemic, including changes to trading behavior broadly in the market; the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; factors that impact the quality and integrity of our indices; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to attract and retain skilled management and other personnel; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; and the accuracy of our estimates and expectations. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2020 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

¹ Nanos trade on Cboe as a one-multiplier (i.e., micro) option (with 1/100th the value of a standard option) on the Mini-S&P 500 Index (equivalent in value to the Nano-S&P 500 Index), which is 1/10th the value of the S&P 500 Index.

² Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of "Characteristics and Risks of Standardized Options." Copies are available from your broker or from The Options Clearing Corporation at 125 South Franklin Street, Suite 1200, Chicago, IL 60606 or at www.theocc.com.

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