

Cboe Plans to Launch Trading in Mini S&P 500 Index (XSP) Options during Global Trading Hours, Beginning December 11

Nov 04, 2022



- Enables customers to trade Mini S&P 500 Index (XSP) options nearly 24 hours, five days a week
- Adds to Cboe's existing offering of SPX options and VIX options and futures during Global Trading Hours (GTH)
- Ability to harness the cash-settled, smaller-sized S&P 500 index options during GTH will help enable traders to adjust positions around the clock with even greater precision and flexibility

CHICAGO, Nov. 4, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, today announced plans to launch trading in Mini S&P 500 Index (XSP) options during global trading hours (GTH), which will make the product available to customers nearly 24 hours every business day on Cboe Options Exchange, beginning December 11, 2022.

The planned launch will add to Cboe's existing offering of its flagship S&P 500 Index® (SPX) options and Cboe Volatility Index® (VIX®) options and futures during the GTH session. With the ability to trade all four products around the clock, market participants globally will have even more product choice to manage risk more efficiently, react to global macroeconomic events as they are happening and adjust their positions, no matter the hour of the day.

The offering of XSP options during GTH is Cboe's latest enhancement to further broaden customer access to the XSP product suite. In October, Cboe began listing XSP options with Tuesday and Thursday weekly expiring contracts to provide expirations on every business day of the week.

"Cboe's popular, cash-settled SPX options have long been the index option of choice for market participants around the world seeking to manage their U.S. equity exposure, hedge risk and generate income," said Arianne Adams, Senior Vice President, Head of Derivatives and Global Client Services at Cboe Global Markets. "As demand for Cboe's proprietary products continues to grow globally from both institutional and retail customers, the ability to also trade XSP options during GTH helps investors to harness the smaller-sized contract to execute trading strategies with even greater precision and flexibility on a nearly 24 hours-a-day, five days-a-week basis."

In U.S. time, Cboe's GTH session begins at 8:15 p.m. ET and runs until 9:15 a.m. ET the following morning. Regular trading hours (RTH) then run from the U.S. market open at 9:30 a.m. ET until the market close at 4:15 p.m. ET. For each Monday business day, trading in GTH begins Sunday evening at 8:15 p.m. ET. In addition, the RTH session is followed by a curb session for SPX and VIX options – an extra session for electronic trading to adjust, unwind, or close out trades from 4:15 p.m. ET to 5:00 p.m. ET, Monday through Friday.

Alongside SPX and VIX options, XSP options will trade during all three sessions. Similar to SPX options, Cboe will offer both standard monthly-expiring contracts and daily-expiring contracts for XSP options during all sessions.

At 1/10th the size of a standard SPX options contract, XSP options provide a more manageably sized contract and greater flexibility for new index options traders or traders looking to manage their notional exposure with greater precision. Like SPX options, XSP options also offer potentially favorable tax treatment¹, European-style exercise (no early exercise) and cash settlement (no delivery or assignment of shares) at expiration.

SPX and XSP options are exclusively listed on Cboe Options Exchange and are among the most actively traded index options products in the world. Trading volumes have continued to hit all-time highs, as a new monthly record of 60.8 million SPX options contracts traded was set in October, up 88 percent from October 2021, with average daily volume (ADV) of 2.9 million contracts. More than 1.3 million XSP options contracts were traded in October, up 255 percent from a year ago, with ADV of 62,000 contracts.

For more information about Cboe's GTH session, please visit <https://go.cboe.com/24x5>.

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, FX and digital assets, 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 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; our ability to attract and retain skilled management and other personnel; 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; the impact of the novel coronavirus ("COVID-19") pandemic; 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 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; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business and clearinghouse, including the expected benefits of our ErisX acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. 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, 2021 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 Under section 1256 of the Tax Code, profit and loss on transactions in certain exchange-traded options, including XSP, are entitled to be taxed at a rate equal to 60% long-term and 40% short-term capital gain or loss, provided that the investor involved and the strategy employed satisfy the criteria of the Tax Code. Investors should consult with their tax advisors to determine how the profit and loss on any particular option strategy will be taxed. Tax laws and regulations change from time to time and may be subject to varying interpretations.

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