

ETF OPTIONS

New trading opportunities

Options are available on a number of Euronext's Exchange Traded Funds (ETFs), complementing our growing ETF franchise and offering more trading opportunities.

Options on ETFs provide the same risk management and portfolio enhancement opportunities as individual equity options. They combine the diversification benefits of ETFs with the flexibility of options. Through ETF options market participants can adopt different trading strategies depending on the market outlook.

Options on ETFs offer investors, especially those already invested in ETFs, an efficient tool to hedge or leverage their ETF investments in a transparent and reliable exchange environment. For central order book trades a Price Pro Rata trading algorithm is applied, as explained in the contract specifications.

New asset classes

Through the existing simple option structure, market participants have access to broad and diversified index exposure.

Benefits

- Opportunity to trade new underlying assets through a well-known vehicle
- Competitive pricing throughout the trading day provided by Market Makers
- Central order book trading via Euronext's state-of-the-art technology, as well as wholesale trading through the Large-in-Scale Facility
- Clearing of trades through LCH SA

Who are ETF Options for?

Investors who use options on ETFs as a risk management tool to hedge their existing positions or to create leveraged strategies.

LIST OF UNDERLYINGS ON THE EURONEXT AMSTERDAM MARKET

OPTION NAME	OPTION TRADING SYMBOL	UNDERLYING ¹	ISIN CODE
IEM OPTION	IEM	ISHARES MSCI EMERGING MARKETS UCITS ETF (DIST)	IE00B0M63177
EUE OPTION	EUE	ISHARES CORE EURO STOXX 50 UCITS ETF EUR (DIST)	IE0008471009
IME OPTION	IME	ISHARES CORE MSCI EUROPE UCITS ETF	IE00B1YZSC51
ISS OPTION	ISS	ISHARES CORE S&P 500 UCITS ETF USD (DIST)	IE0031442068
IWR OPTION	IWR	ISHARES MSCI WORLD UCITS ETF (DIST)	IE00B0M62Q58
IJP OPTION	IJP	ISHARES MSCI JAPAN EUR HEDGED UCITS ETF	IE00B42Z5J44
ISF OPTION	ISF	ISHARES CORE FTSE 100 UCITS ETF (DIST)	IE0005042456

¹ The use of the name of the indices is necessary to indicate the underlying value and performance of the Financial Product. These indices may be registered as trademark by third parties. The Euronext Financial Products are not sponsored, endorsed, sold or promoted by those third parties.

CONTRACT SPECIFICATIONS

ETF OPTIONS ON THE EURONEXT AMSTERDAM MARKET	
CONTRACT SIZE	One option normally equals rights over 100 underlying shares
UNIT OF TRADING	100
PRICING UNIT/QUOTATION	Euros per share
MINIMUM PRICE MOVEMENT (TICK SIZE AND VALUE)	Central Order Book: If the premium of an order at order entry is below or equal to the premium threshold, the tick size is €0.01 (€1 per contract) If the premium of an order at order entry is above the premium threshold, the tick size is €0.05 (€5 per contract) The premium threshold is equal to €0.50 Large-in-Scale Facility: €0.01 (€1 per contract)
OPTION STYLE	American style Holders of long positions are entitled to exercise their options before the expiration date
EXPIRY MONTHS	1, 2, 3 monthly; 6, 9, 12 months quarterly (of the March, June, September, December cycle)
INTRODUCTION OF NEW EXPIRY MONTHS	New expiry months are available for trading on the first business day after the expiry of a maturity
WHOLESALE SERVICES	Large-in-Scale Facility
EURONEXT MARKET	Amsterdam
LAST TRADING DAY	Trading ceases at 17:30 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
EXERCISE	Exercise is possible until 19:15 CET on any business day, extended to 19:45 CET on the Last Trading Day
SETTLEMENT	Physical delivery of 100 shares (or other such number of shares as determined by the terms of the contract) through the settlement system of LCH SA
SETTLEMENT DAY	Two business days after the exercise day
OPTION PREMIUM	Payable in full by the buyer on the business day following a transaction
CLEARING ORGANISATION	LCH SA
TRADING HOURS	Central Order Book: 09:06 – 17:30 CET Large-in-Scale Facility: 07:00 – 18:30 CET
ALGORITHM	Central order book applies a Price Pro Rata trading algorithm. With this algorithm, priority is given to orders at the best price (highest for a bid, lowest for an offer). If there are several orders at this best price, equal priority is given to every order at this price and incoming business is divided among these orders in proportion to their volume

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