

Chapter 101A Options on Live Cattle Futures

101A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Live Cattle futures. In addition to this chapter, options on Live Cattle futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

101A01. OPTIONS CHARACTERISTICS

101A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.

101A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one Live Cattle futures contract as specified in Chapter 101.

101A01.C. Minimum Fluctuations

The price of an option shall be quoted in cents per pound. Minimum price fluctuations shall be in multiples of \$.000025 per pound (also known as one tick). A trade may occur at a price of \$.000125 per pound (\$5.00, also known as one-half tick), whether or not it results in the liquidation of positions for both parties to the trade.

101A01.D. Underlying Futures Contract

1. Options in the February Bi-Monthly Cycle

For monthly options that expire in the February bi-monthly cycle (i.e., February, April, June, August, October and December), the underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in February is the February futures contract.

2. Options in the January Bi-Monthly Cycle

For monthly options that expire in months other than those in the February bi-monthly cycle (i.e., January, March, May, July, September, and November), the underlying futures contract is the next futures contract in the February bi-monthly cycle that is nearest to the expiration of the option. For example, the underlying futures contract for an option that expires in January is the February futures contract.

3. Monday Weekly Options

For Monday Weekly Options, if the weekly option expires prior to the expiration date of the nearby option in the February bi-monthly cycle, then the underlying future is the nearby contract. If the Monday Weekly Option expires after the expiration date of the nearby option in the February bi-monthly cycle but before the expiration date of the nearby futures, then the underlying future is the first-deferred contract.

101A01.E. Exercise and Exercise Prices

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

101A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

101A01.G. [Reserved]

CME Rulebook

101A01.H. [Reserved]

101A01.I. Termination of Trading

1. Options in the January or February Bi-Monthly Cycle

Options trading shall terminate on the first Friday of the contract month. If that Friday is not a Business Day, then trading shall terminate on the immediately preceding Business Day.

2. Monday Weekly Options

For Monday Weekly Options, trading shall terminate on Monday. If that Monday is not a business day, then trading shall terminate on the immediately following business day.

101A01.J. [Reserved]

101A02. ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the assignment of Live Cattle options.

Exercise Notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an Exercise Notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following Business Day.

The clearing member assigned an Exercise Notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the Exercise Notice.

101A03. [RESERVED]

101A04. [RESERVED]