Security Futures Examples

The following are examples of synthetic long ETF positions (options) offset with an index futures contract that is not eligible for portfolio margining compared to examples using the same synthetic ETF positions offset with a security futures contract on a broad-based ETF. Note that a broker-dealer's house requirements may be higher. NASDAQ-100 examples were computed on trade date Jan. 31, 2008. Al other examples were computed on trade date December 18 or 19, 2007. Questions can be directed to James Adams, (312) 786-7718, in the CBOE's Department of Member Firm Regulation.

SHORT S&P 500 INDEX FUTURES, LONG SYNTHETIC ETF

Position
Short 2 e-Mini S&P 500 Mar'08 futures contracts @ 1,464.125 (CME)
Long 10 SPY Mar'08 140 Calls @ 10.90 (CBOE calls on the SPDRS ETF)
Short 10 SPY Mar'08 140 Puts @ 4.50 (CBOE puts on the SPDRS ETF)

Futures contracts margin requirement (not portfolio margin eligible):	$ 9,000.00
Options margin requirement (portfolio margin):	$11,884.30
Total margin requirement is:	$20,884.30

SHORT SECURITY FUTURES ON S&P 500 ETF, LONG SYNTHETIC ETF

Position
Short 1 SPY Mar'08 security futures contract @ 146.005 (OneChicago)
Long 10 SPY Mar'08 140 Calls @ 10.85 (CBOE calls on the SPDRS ETF)
Short 10 SPY Mar'08 140 Puts @ 4.55 (CBOE puts on the SPDRS ETF)

Total margin requirement (all portfolio margin eligible) is: $ 1,125.00

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SHORT DJIA INDEX FUTURES, LONG SYNTHETIC ETF

Position
Short 2 mini Dow Mar'08 futures contracts @ 13,319 (CBOT)
Long 10 DIA Mar'08 130 Calls @ 7.60 (CBOE calls on the DIAMONDS ETF)
Short 10 DIA Mar'08 130 Puts @ 4.50 (CBOE puts on the DIAMONDS ETF)

Futures contracts margin requirement (not portfolio margin eligible):	$ 7,005.00
Options margin requirement (portfolio margin):	$10,678.10
Total margin requirement is:	$17,683.10

SHORT SECURITY FUTURES ON DIAMONDS ETF, LONG SYNTHETIC ETF

Position
Short 10 DIA Mar'08 security futures contract @ 133.03(OneChicago)
Long 10 DIA Mar'08 130 Calls @ 7.60 (CBOE calls on the DIAMOMDS ETF)
Short 10 DIA Mar'08 130 Puts @ 4.50 (CBOE puts on the DIAMONDS ETF)

Total margin requirement (all portfolio margin eligible) is:	$ 1,125.00

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SHORT RUSSELL 2000 INDEX FUTURES, LONG SYNTHETIC ETF

Position
Short 1 e-mini Russell 2000 Mar'08 futures contract @ 756.15 (CME)
Long 10 IWM Mar'08 70 Calls @ 7.85 (CBOE calls on the iShares Russell 2000 ETF)
Short 10 IWM Mar'08 70 Puts @ 2.81 (CBOE puts on the iShares Russell 2000 ETF)

Futures contracts margin requirement (not portfolio margin eligible):	$ 5,250.00
Options margin requirement (portfolio margin):	$11,441.20
Total margin requirement is:	$16,691.20

SHORT SECURITY FUTURES ON iSHARES RUSSELL 2000 ETF,
LONG SYNTHETIC ETF

Position
Short 10 IWM Mar'08 security futures contracts @ 75.265 (OneChicago)
Long 10 IWM Mar'08 70 Calls @ 7.88 (CBOE calls on the iShares Russell 2000 ETF)
Short 10 IWM Mar'08 70 Puts @ 2.80 (CBOE puts on the iShares Russell 2000 ETF)

Total margin requirement (all portfolio margin eligible) is:	$ 1,125.00

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SHORT NASDAQ-100 INDEX FUTURES, LONG SYNTHETIC ETF

Position
Short 5 e-mini NASDAQ-100 Mar'08 futures contracts @1849.75 (CME)
(approx. 800 delta's per contract)
Long 40 QQQ Mar'08 45 Calls @ 2.295
(CBOE calls on the NASDAQ-100 Tracking Stock ETF)
Short 40 QQQ Mar'08 45 Puts @ 1.83
(CBOE puts on the NASDAQ-100 Tracking Stock ETF)

Futures contracts margin requirement (not portfolio margin eligible):	$ 8,125.00
Options margin requirement (portfolio margin):	$ 26,971.20
Total margin requirement is:	**$ 35,096.20**

<u>SHORT</u> SECURITY FUTURES ON NASDAQ-100 TRACKING STOCK ETF, <u>LONG</u> SYNTHETIC ETF

Position
Short 4 QQQ Mar'08 security futures contract at $44.55 (OneChicago)
(1000 shares per contract)
Long 40 QQQ Mar'08 45 Calls @ 2.335
(CBOE calls on the NASDAQ-100 Tracking Stock ETF)
Short 40 QQQ Mar'08 45 Puts @ 1.795
(CBOE puts on the NASDAQ-100 Tracking Stock ETF)

Total margin requirement (all portfolio margin eligible) is: **$ 4,500.00**

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<u>LONG</u> NASDAQ-100 INDEX FUTURES, <u>SHORT</u> SYNTHETIC ETF

Position
Long 5 e-mini NASDAQ-100 Mar'08 futures contracts @ 1855.875 (CME)
(approx. 800 delta's per contract)
Short 40 QQQ Mar'08 45 Calls @ 2.38
(CBOE calls on the NASDAQ-100 Tracking Stock ETF)
Long 40 QQQ Mar'08 45 Puts @ 1.755
(CBOE puts on the NASDAQ-100 Tracking Stock ETF)

Futures contracts margin requirement (not portfolio margin eligible):	$ 8,125.00
Options margin requirement (portfolio margin):	$ 26,736.40
Total margin requirement is:	**$ 34,861.40**

<u>LONG</u> SECURITY FUTURES ON NASDAQ-100 TRACKING STOCK ETF, <u>SHORT</u> SYNTHETIC ETF

Position
Long 4 QQQQ Mar'08 security futures contract at 45.67 (OneChicago)
(1000 shares per contract)
Short 40 QQQ Mar'08 45 Calls @ 2.425
(CBOE calls on the NASDAQ-100 Tracking Stock ETF)
Long 40 QQQ Mar'08 45 Puts @ 1.725
(CBOE puts on the NASDAQ-100 Tracking Stock ETF)

Total margin requirement (all portfolio margin eligible) is: **$ 4,500.00**