

# **Trader E-News**

## **Information Circular IC13-005**

January 11, 2013

## **New Customized Option Pricing Service**

- This Monday, CBOE, through its affiliate, Market Data Express, will launch the Customized Option Pricing Service (COPS). COPS will provide end-of-day valuations for FLEX options and other customized options. Valuations are averages of multiple submissions provided by participating CBOE registered market-makers.
- For additional information on the service and fee schedule, refer to CBOE Regulatory Circular RG13-008.

# Limit Up/Limit Down and Market Wide Circuit Breaker Industry Testing

- > CBSX will participate along with other exchanges in industry-wide testing to support both the Limit Up/Limit Down and the revised Market Wide Circuit Breakers programs. Both are currently scheduled to go into effect on February 4, 2013, although the stock exchanges and FINRA are discussing potential revisions to the implementation schedule with the SEC.
- > CBOE and C2 also plan to participate in certain testing, the details of which will be announced separately in the coming weeks
- Pending SEC approval of a revised implementation schedule, CBSX testing will be held on:
  - Saturday, January 26
  - Saturday, February 2
  - (Please note the January 12 test date referenced in Information Circular IC12-106 has been cancelled.)
- For additional information, see:
  - CBSX <u>Information Circular IC13-004</u> for testing details
  - CBSX Information Circular IC13-003 for frequently asked questions on the Limit Up/Limit Down program

# **Other News & Notes**

#### Comments on Consolidated Audit Trail Concept Document Due Next Week

Reminder: comments on the Consolidated Audit Trail (CAT) request for proposal concept document are due by next Friday, January 18. See CBOE Regulatory Circular RG12-170 for information, including instructions on how to submit comments.

### Open Interest in VIX Futures Hits New High

This morning, open interest in VIX futures at CFE reached a new all-time high of 438,038 contracts. Today's new high in open interest comes on the heels of consecutive single-day volume records last week. See the <a href="Press Release">Press Release</a>.

#### **AIM Primary Order Allowed in Penny Increments**

Beginning Tuesday, January 22, CBOE will begin rolling out a change to the Automated Improvement Mechanism (AIM) and the Solicitation Auction Mechanism (SAM) to allow the primary order to include a limit price in penny increments, regardless of the minimum trading increment for the option. See CBOE Regulatory Circular RG13-009 for additional details.

#### **Risk Management Conference**

CBOE will host its 29<sup>th</sup> annual Risk Management Conference from Sunday, March 3 to Tuesday, March 5, 2013 at the Park Hyatt Aviara in Carlsbad, California. For details on the conference, go to <a href="https://www.cboermc.com">www.cboermc.com</a>.

We encourage your input on these and other exchange matters. Please feel free to contact us directly with your comments.

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