

CBOE Information Circular IC15-009 CFE Information Circular IC15-007

Date: February 20, 2015

To: CBOE Trading Permit Holders and CFE Trading Privilege Holders

From: Research and Product Development Department

Re: CBOE VIX Indicative Bid Index (VWB) and CBOE VIX Indicative Ask Index (VWA) to Include SPX Weeklys Beginning February 23, 2015

Beginning February 23, 2015, CBOE will calculate the CBOE VIX Indicative Bid Index (Ticker: VWB) and CBOE VIX Indicative Ask Index (Ticker: VWA)¹ with the inclusion of options on the S&P 500 Index that expire every week (SPX Weeklys).² Prior to February 23, 2015, the CBOE VIX Indicative Bid Index and CBOE VIX Indicative Ask Index were calculated only using standard SPX options that expire on the third Friday of each month.³

The inclusion of SPX Weeklys along with standard SPX options, as applicable, in the index calculation will allow the CBOE VIX Indicative Bid Index and CBOE VIX Indicative Ask Index to be calculated with S&P 500 Index options series that most precisely match the 30-day target timeframe for expected volatility that the CBOE Volatility Index (VIX Index) is intended to represent. Using SPX options with more than 23 days and less than 37 days to expiration will ensure that the CBOE VIX Indicative Bid Index and CBOE VIX Indicative Ask Index reflect an interpolation of two points along the S&P 500 Index volatility term structure.

A detailed explanation of the current method used to calculate VIX Index may be found on the CBOE's website at: <http://www.cboe.com/micro/vix/vixwhite.pdf>.

Additional Information:

Please contact Bill Speth at spethw@cboe.com and (312) 786-7141 or Dennis O'Callahan at ocallahd@cboe.com or (312) 786-7508.

(Supplements CBOE Information Circular [IC14-075](#) and CFE Information Circular [CFEIC14-051](#)).

¹ The CBOE VIX Indicative Bid Index is calculated by applying the CBOE VIX methodology to SPX option bid quotations; the CBOE VIX Indicative Ask Index is calculated by applying the CBOE VIX methodology to SPX option ask quotations.

² SPX Weeklys technically expire on any Friday of the month other than the third Friday of the month and are listed under the End of Week / End of Month Expirations Pilot Program set forth in CBOE Rule 24.9(e).

³ CBOE will not continue to calculate legacy versions of the CBOE VIX Indicative Bid Index and CBOE VIX Indicative Ask Index using only standard SPX options. Instead, CBOE will retire that index calculation convention and will only publish the CBOE VIX Indicative Bid Index and CBOE VIX Indicative Ask Index calculated with the inclusion of SPX weeklys for dates on and after February 23, 2015.