

Date: November 28, 2016

ACCEPTABLE STRATEGIES INVOLVING THE THREE-MONTH CANADIAN BANKER'S ACCEPTANCE FUTURES (BAX) AND OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES (OBX)

Bourse de Montréal Inc. (the Bourse) hereby wishes to inform its Approved Participants (APs) and Foreign Approved Participants (FAPs) that the acceptance criteria for strategies to be executed through the User-Defined Strategies (UDS) functionality will be enhanced. In addition to the currently offered strategies, the following six-legged OBX intra-group strategies and OBX-BAX inter-group strategies will be accepted via UDS, effective January 27, 2017.

In addition to these new UDS strategies, the Bourse's trading system will now support the execution of up to twelve-legged OBX and OBX-BAX customized strategies. Participants may contact the Market Operations Department to request their creation.

	Strategy Type	Symbology Example	
		Strategy on its own	As leg of a bigger strategy
Two-legged strategies	Call spread	Z6CS9091	Same
	Put spread	Z6PS9091	Same
	Straddle	Z6STD90	Same
	Strangle	Z6STGL9091	Same
	Synthetic position	Z6+1C91-1P91	Same
	Synthetic position with split strikes	Z6+1C91-1P89	Same
	1:2 ratio call spread	Z6+1C91-2C92	Same
	1:2 ratio put spread	Z6+1P90-2P88	Same
	1:3 ratio call spread	Z6+1C91-3C92	Same
	1:3 ratio put spread	Z6+1P90-3P88	Same
	1:4 ratio call spread	Z6+1C91-4C92	Same
1:4 ratio put spread	Z6+1P90-4P88	Same	
Three-legged Strategies	Call Butterfly	Z6CFLY919293	Same
	Put Butterfly	Z6PFLY929190	Same
	Call Ladder	Z6CLAD909192	Same
	Put Ladder	Z6PLAD929190	Same
Four-legged Strategies	Call Condor	Z6+1C91-1C92-1C93+1C95	Z6CCDR91929395
	Put Condor	Z6+1P95-1P93-1P92+1P91	Z6PCDR95939291
	Iron Condor	Z6+1P91-1P92-1C93+1C95	Z6ICDR91929395
	Iron Butterfly	Z6+1P91-1P92-1C92+1C93	Z6IFLY919293
	Double Diagonal	Z6STGL9093-H7STGL9192	Same
	Futures vs. Call Condor*	+BAXH7-10CCDR87889091	Non Applicable
	Futures Vs. Put Condor	+BAXH7-10PCDR91908887	Non Applicable

Five-legged Strategies	Futures Strip vs. Call with Ratio	+BAXH1704-7C90	Non Applicable
	Futures Strip vs. Put with Ratio	+BAXH1704+7P90	Non Applicable
	Futures Strip vs. Call Spread with Ratio	+BAXZ1604-20Z6CS9192	Non Applicable
Six-legged Strategies	Futures Strip vs. Put Spread with Ratio	+BAXZ1604+20Z6PS9291	Non Applicable

***Strategy that is available in the MX testing environment**

The new strategy type detailed in the section above will be available in the MX testing environment on November 28, 2016. Should clients require testing, application testing and support is available Mondays through Fridays, from 8:00 AM (EST) to 16:30 PM (EST). Afterhours testing is available without support on Mondays through Fridays, from 16:30 PM (EST) to 22:30 PM (EST).

The table below lists some of the acronyms that may be used in the creation of strategy profiles involving the Three-Month Canadian Banker's Acceptance Futures (OBX).

Code Acronym	Strategy
STDL	Straddle
STGL	Strangle
CS	Call Spread
PS	Put Spread
CFLY	Call Butterfly
PFLY	Put Butterfly
GUT	Guts
CCDR	Call Condor
PCDR	Put Condor
IFLY	Iron Butterfly
ICDR	Iron Condor
CSTP	Call Strip (2-12 maturity dates)
PSTP	Put Strip (2-12 maturity dates)
CLAD	Call Ladder (3-12 strikes)
PLAD	Put Ladder (3-12 strikes)
CSVP	Call Spread vs. Put
PSVC	Put Spread vs. Call
STDVC	Straddle vs. Call
STDVP	Straddle vs. Put
STGVC	Strangle vs. Call
STGVP	Strangle vs. Put
RR	Risk Reversal

For any comments, concerns or questions, please communicate with the Technical Help Desk (see below).

Thank you.

Technical Help Desk

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