

Date: December 20th, 2016

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

Pursuant to advisory notice A16-013 (see attached document), 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 limited to four legs for OBX intra-group and OBX-BAX inter-group strategies. Therefore, the following strategies will be accepted via UDS, effective January 27, 2017.

The Bourse's trading system will support the execution of up to twelve-legged OBX and OBX-BAX customized strategies (Exchange-Defined-Strategies). Participants may contact the Market Operations Department to request their creation.

	Strategy Type*	Symbology Example
Two-legged strategies	Call spread (ex. OBX)	Z6+1XC90-1XC91
	Put spread (ex. OBY)	Z6+1YP91-1YP90
	Straddle (ex. OBX)	Z6+1XC90+1XP90
	Strangle (ex. OBW)	G7+1WP90+1WC91
	Synthetic position (ex. OBX)	Z6+1XC90-1XP90
	Synthetic position with split strikes (ex. OBX)	Z6+1XC90-1XP88
	1:2 ratio call spread (ex. OBX)	Z6+1XC90-2XC91
	1:2 ratio put spread (ex. OBX)	Z6+1XP91-2XP90
	1:3 ratio call spread (ex. OBX)	Z6+1XC90-3XC91
	1:3 ratio put spread (ex. OBX)	Z6+1XP91-3XP90
Three-legged Strategies	Call Butterfly (ex. OBY)	Z6+1YC90-2YC91+1YC92
	Put Butterfly (ex. OBX)	Z6+1XP91-2XP90+1XP88
	Call Ladder (ex. OBX)	Z6+1XC90-1XC91-1XC92
	Put Ladder (ex. OBX)	Z6+1XP91-1XP90-1XP88
Four-legged Strategies	Call Condor (ex. OBX)	Z6+1XC90-1XC91-1XC92+1XC93
	Put Condor (ex. OBX)	Z6+1XP91-1XP90-1XP88+1XP87
	Iron Condor (ex. OBX)	Z6+1XP91-1XP92-1XC93+1XC95
	Iron Butterfly (ex. OBX)	Z6+1XP91-1XP92-1XC92+1XC93
	Double Diagonal (ex. OBY)	Z6+1YP90+1YC91_H7-1YP92-1YC93

*For indicative purposes and without limitations.

The table below lists some of the acronyms that may be used in the creation of strategy profiles with more than four legs 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)
CSVV	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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