



<input checked="" type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input checked="" type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation
		<input type="checkbox"/>	MCeX

**CIRCULAR**  
**July 17, 2012**

**ADDITIONAL STRATEGY TYPES FOR USER DEFINED STRATEGIES INVOLVING FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS**

The purpose of this Circular is to inform Approved Participants that, further to Circular 073-12, *Acceptable Strategy Types for User Defined Strategies involving Futures Contracts and Options on Futures Contracts*, issued on May 10, 2012, Bourse de Montreal Inc. (the Bourse) has modified the acceptance criteria for inter-group strategies to include strategies including three legs, in order to introduce additional inter-group strategies for the User Defined Strategies (UDS) functionality. These changes were implemented on June 19, 2012.

**ACCEPTABLE INTER-GROUP STRATEGIES FOR UDS FUNCTIONALITY**

For indicative purposes and without limitations, the inter-group strategies for the purposes of the UDS functionality are listed below:

**List of Acceptable Strategies published May 10, 2012:**

STRATEGY	EXAMPLE
LGB vs. CGB	Buy LGBU12 – Sell CGBU12
LGB vs. CGF	Buy LGBU12 – Sell CGFU12
CGB vs. CGF	Buy CGBU12 – Sell CGFU12
CGB Delta Trade	Buy CGBU12 – Buy or Sell OGB Call or Put
BAX Delta Trade	Buy BAXU12 – Buy or Sell OBX Call or Put

**List of Additional Acceptable Strategies:**

STRATEGY	EXAMPLE
BAX vs. OBX Call Spread	Buy BAXU12 – Buy OBX Call (X) – Sell OBX Call (Y) (All legs must have the same expiry month)
BAX vs. OBX Put Spread	Buy BAXU12 – Buy OBX Put (X) – Sell OBX Put (Y) (All legs must have the same expiry month)
BAX vs. 1X2 RATIO CALL SPREAD	Buy BAXU12 – Buy OBX Call (X) – Sell 2 OBX Calls (Y) (All legs must have the same expiry month)
BAX vs. 1X2 RATIO Put SPREAD	Buy BAXU12 – Buy OBX Put (X) – Sell 2 OBX Puts (Y) (All legs must have the same expiry month)

**ACCEPTANCE CRITERIA – INTER-GROUP STRATEGIES**

For an Inter-Group Strategy to be executed through the UDS functionality, each strategy must meet the following acceptance criteria:

- 1) The strategy must include instruments from different product groups;
- 2) Every instrument of a strategy must be of the same nominal value and have the same minimum price fluctuation (tick size);
- 3) A strategy must not be composed of more than three legs;
- 4) The maximum leg ratios are +99 and/or -99.

The Bourse reserves the right to review and amend in its sole discretion the acceptance criteria for the UDS functionality, from time to time, in order to include additional strategies. Any amendments to the acceptance criteria, and any additional strategies, will be communicated to Approved Participants in a Circular.

For further information, please contact the Market Operations Department at 514 871-7877 or 1-866-576-8836.

Brian Gelfand  
Vice-President, Institutional Relations and Market Operations

Circular no.: 107-2012