



## New VIX Index Market Advisory Notices

Reference ID: 2018080600

### Overview

Beginning this month, Cboe Exchange, Inc. and Cboe Futures Exchange, LLC. (“Cboe”) will introduce “VIX Index Market Advisory Notices” which will be issued on monthly expiration dates for Cboe Volatility Index (VIX) futures and options, when warranted by market conditions outlined below.

These new notices are designed to inform trading participants of pre-opening market conditions that Cboe identifies that could lead to a repricing of volatility or otherwise potentially impact the final settlement value for VIX futures and options. Cboe believes that contemporaneous notice of market conditions may provide additional clarity and context for those participating in the auction used to settle VIX derivatives.

### Details

Prior to the open of trading on expiration mornings for monthly VIX derivatives, if Cboe observes conditions that it believes could potentially lead to a repricing of volatility or otherwise potentially impact the final settlement value, an Advisory Notice will be posted to the [Futures](#) and [Options](#) Systems Status pages on the Cboe website. An Advisory Notice will also be issued to the Futures and Options System Status distribution lists. Contact [tradedesk@cboe.com](mailto:tradedesk@cboe.com) to subscribe to either distribution list.

Market conditions that Cboe may observe and conclude may trigger a repricing of volatility or otherwise potentially impact the final settlement value for VIX derivatives, prompting the issuance of an Advisory Notice, may include - but are not limited to - the following factors:

- Market moving news, including major shifts in international relations and domestic politics, or other announcements;
- Pre-opening order imbalances in SPX options;
- Significant volatility fluctuations or activity in futures markets during overnight trading and/or prior to the open;
- Substantial trading activity in foreign markets prior to the U.S. market open; and
- Noteworthy volume of pre-opening indications of interest in U.S. equity markets.

Cboe makes no promise or guarantee as to the accuracy, adequacy, completeness, reliability or usefulness of VIX Index Market Advisory Notices. A repricing of volatility or other impact on the final settlement value of VIX derivatives may not occur despite the issuance of a VIX Index Market Advisory Notice. Additionally, it is possible a repricing of volatility or other impact on the final settlement value of VIX

derivatives may occur on a monthly expiration date even though Cboe did not issue a VIX Index Market Advisory Notice on that date. VIX Index Market Advisory Notices will be issued solely for general education and information purposes. Conditions relevant to VIX Index Market Advisory Notices may change without notice, and Cboe assumes no obligation to make or revise such notices in response to that information. Any persons relying on a VIX Index Market Advisory Notice or on the absence of such a notice do so at their own risk. No statement within this notice or VIX Index Market Advisory Notices should be construed as a recommendation to buy or sell a security or futures product or to provide trading or investment advice.

### **Additional Information**

Questions regarding this subject may be directed to the Cboe Operations Support Center (“OSC”).

We appreciate your support for the Cboe products, technologies and solutions that power your potential to stay ahead of an evolving market.

#### **Operations Support Center (OSC)**

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