

Derivatives

FTSE 100 Index Futures & Options

FTSE 100 index futures and options are the most commonly used instruments for banks, brokers, specialist traders and market makers to manage risk on the UK equity market. They are based on a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

FTSE 100 index (Ticker: UKX) tracks the performance of the UK equity market through a broad universe of stocks

- Composed of 100 most highly capitalized companies traded on the London Stock Exchange
- High correlation (99.6%) & low tracking error (1.87 p.a.) with FTSE UK Large Cap Super Liquid index¹ (Ticker: FTUKLSNG)
- Extensively used as a basis for investment products
- Offers new trading opportunities with FTSE UK Large Cap Super Liquid index

FTSE 100 futures and options provide trading opportunities and liquidity

- Multiple liquidity levels are provided by Primary Market Makers & Qualified Liquidity Providers
- Offers potential to reduce frictional trading and maintenance costs
- Initial margin offset with FTSE UK Large Cap Super Liquid index derivatives traded on London Stock Exchange Derivatives Market
- London Stock Exchange offers deep liquidity pool for the underlying securities

¹ Pearson correlation and Tracking Error calculated on median rolling 30-day values

FTSE 100 index futures & options benefit from competitive fees

Futures	Standard fee (per contract)	Fee cap (per trade)
Order-book fee	GBP 0.20	GBP 200
Clearing fee	GBP 0.02	GBP 20
Expiration fee	GBP 0.17	GBP 170

Options	Standard fee (per contract)	Fee cap (per trade)
Order-book fee	GBP 0.15	GBP 150
Clearing fee	GBP 0.02	GBP 20
Expiration fee	GBP 0.17	GBP 170

Benefits of London Stock Exchange Derivatives offering

- Powered by SOLA® technology, state of the art platform for derivatives trading
- Hosting services in London provide fastest access to derivatives and equities matching-engines
- Bulk Quotes and Market Maker protection functionality allow for efficient and safe liquidity provision
- Wide range of ISVs offering connectivity to London Stock Exchange Derivatives Market
- Complex strategy trading facilities available both for order-book trading and for trade reporting
- Access to International Order Book (IOB) and Oslo Børs derivative products traded on London Stock Exchange



Contract Specification	Futures	Options
Contract underlying	FTSE 100 index	
Type of contract	Cash settled future contracts with daily cash Settlement	European Style, cash settled Call and Put option contracts
Central counterparty	LCH.Clearnet	
Trading hours	08:00 – 16:30 London time for orderbook trading 07:30 – 17:30 London time for Trade Reporting	
Exercise Window	n/a	18:10 – 18:40 London time on Expiration day
Multiplier	GBP 10 per index point	
Currency	GBP, British Pound, £	
Quotation display	Future price in index points	Option premium in index points
Tick size	0.5 points	
Tick value	GBP 5.00	
Settlement style	Cash settlement	
Listing day	Monday preceding expiration day each month Where this is not a normal trading day, the preceding trading day shall be used	
Expiration day	3rd Friday of expiration month Where this not a normal trading day, the preceding trading day shall be used. Trading finishes at 10:15 London time	
Contract lifetime and expiration months	Out to 12 months: first four quarterly months of 'March, June, September, December' cycle	Out to 24 months: first eight quarterly months of 'March, June, September, December' cycle, plus front two non-quarterly months
Daily settlement price	Closing value of FTSE 100 index as calculated by FTSE each trading day at 16:35 following the closing auction on London Stock Exchange For index futures, this value is adjusted by London Stock Exchange Derivatives Market to reflect fair value and rounded to two decimal places For index options, this value is used to calculate the theoretical value of contracts.	
Daily cash price	One bank day after the trade day	
Expiration settlement price	Value of FTSE 100 index as calculated by FTSE at 10:15 on expiration day or as soon as reasonably practicable, following the intraday auction on London Stock Exchange (plus up to 30 seconds random interval and any price monitoring extensions or market order extensions in any of the constituent stocks) London Stock Exchange Derivatives Market shall take this value and round it to the nearest 0.5 index point to establish the expiry settlement price	
Expiration settlement	One bank day after expiration for payment of expiration settlement amount	
Premium settlement	One Bank day after the Trade day	

Contact

Full details are available in our Rulebook and Trading Services Description documentation available though our website

www.lseg.com/derivatives

Please contact our Derivatives Team for further information:

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