

London Stock Exchange Derivatives

HSVF Documentation Update LSEDM BIST30 Index Derivatives

The purpose of this Technical Notice is to inform customers that the HSVF documentation has been updated to include two new tick tables t0 and t1 for LSEDM BIST30 Index Options and Futures. The new LSEDM BIST30 Index Derivatives products will be available for testing in the CDS environment from **Monday 18 May 2015**. The production go-live date will be communicated in due course via Technical Notice following Regulatory approval.

Updated technical documentation can be found on the London Stock Exchange Derivatives Document Library website at the following link: <http://www.lseg.com/derivatives/document-library>. The new tick tables can also be found in the Appendix of this document.

LSEDM BIST30 Index Futures and Options contract specifications can be found in the Appendix of this document. Customers should note these contract specifications are subject to Regulatory approval.

For technical questions please contact your Technical Account Manager or the Technical Account Management Team on +44 (0) 20 7797 3939 or londontam@lseg.com

For business questions please contact the LSE Derivatives Market Team on +44 (0) 20 7797 3833 or LSEDM.sales@lseg.com

Appendix

LSEDM BIST30 Index Futures Tick Table (t1)

Price		Tick Increment
From	To	
0.025	+	0.0250

LSEDM BIST30 Index Options Tick Table (t0)

Price		Tick Increment
From	To	
0.01	+	0.0100

LSEDM BIST30 Index Futures

Parameter	Contract specifications
Underlying index	BIST 30 Price Index
Central Counterparty	LCH.Clearnet
Trading Hours	07:10 – 15:45 London time for orderbook trading 07:10 – 17:30 London time for Trade Reporting
Contract Underlying	BIST 30 Price index, divided by 1,000 (for example, BIST 30 Price index = 110,500, Contract Underlying = 110,500 / 1,000 = 110.500)
Multiplier	TRY 100 per Contract Underlying (for example, BIST 30 Price index / 1000 * 100 = 110,500 / 1,000 * 100 = TRY 11,050.0)
Currency	TRY, Turkish Lira
Quotation display	Future price in points of Contract Underlying
Tick Size and Tick Value	Tick Size: 0.025 points of Contract Underlying Tick Value: TRY 2.5
Settlement style	Cash Settlement on Expiration Day with daily cash settlement throughout the lifetime of the Contract
Listing Day	The day following the Expiration Day. Where this is not a Trading Day, the following Trading Day shall be used
Contract lifetimes and Expiration Months	February, April, June, August, October and December expiry cycle, up to 1 year. Contracts with 3 different expiration months nearest to the current month shall be traded concurrently. If December is not one of those 3 months, an extra contract with an expiration month of December shall be launched.
Last Trading Day and Expiration Day	Last Trading Day of the Expiration Month. In case the market is closed or open half day, Expiration Day shall be the preceding Trading Day.
Daily Settlement Price	The last value of the BIST 30 Price index as calculated each day by Borsa Istanbul, divided by 1,000, and adjusted for Fair Value.
Daily Cash Settlement	One Bank Day after the Trade Day
Expiration Settlement Price	Standard Contracts: the Expiration Settlement Price as defined by Borsa Istanbul. In case of any issue, LSEDM shall define the Expiration Settlement Price based on current market conditions. Tailor-made Contracts: The Expiration Settlement Price shall be calculated as the weighted average of i) the time weighted average of the last 30 minutes of continuous auction in the Borsa Istanbul equity market (in the second session) and ii) the closing price of the index, with 80% and 20% weights, respectively. The calculated weighted average is divided by 1,000 and rounded to the nearest 0.025. In case of any issue, LSEDM shall define the Expiration Settlement Price based on current market conditions.
Expiration Settlement	One Bank Day after Expiration Day
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to 1 year) • Future Price (to 3 decimal places, including off-tick)

LSEDM BIST30 Index Options

Parameter	Contract specifications
Underlying index	BIST 30 Price Index
Type of contract	Call and put options
Central Counterparty	LCH.Clearnet
Trading Hours	07:10 – 15:45 London time for orderbook trading 07:10 – 17:30 London time for Trade Reporting
Exercise window	18:10 – 18:40 London time on Expiration Day.
Contract Underlying	BIST 30 Price index, divided by 1,000 (for example, BIST 30 Price index = 110,500, Contract Underlying = 110,500 / 1,000 = 110.500)
Multiplier	TRY 100 per Contract Underlying (for example, BIST 30 Price index / 1000 * 100 = 110,500 / 1,000 * 100 = TRY 11,050.0)
Currency	TRY, Turkish Lira
Quotation display	Option premium in points of Contract Underlying
Tick Size and Tick Value	Tick Size: 0.01 in points of Contract Underlying Tick Value: TRY 1
Settlement style	Cash Settlement
Option Style	European style
Listing Day	The day following the Expiration Day. Where this is not a Trading Day, the following Trading Day shall be used
Contract lifetimes and Expiration Months	February, April, June, August, October and December expiry cycle, up to 1 year. Contracts with 3 different expiration months nearest to the current month shall be traded concurrently. If December is not one of those 3 months, an extra contract with an expiration month of December shall be launched.
Last Trading Day and Expiration Day	Last Trading Day of the Expiration Month. In case the market is closed or open half day, Expiration Day shall be the preceding Trading Day.
Daily Settlement Price (End of Day Price)	Theoretical Value based on the volatility surface, itself dependent on: quotes per series, underlying spot price, applicable interest rate, dividend amount (if applicable), ex-dividend date (if applicable), the second order interpolation and the arbitrage free surface.
Exercise Settlement Price	Standard Contracts: the Expiration Settlement Price as defined by Borsa Istanbul. In case of any issue, LSEDM shall define the Expiration Settlement Price based on current market conditions. Tailor-made Contracts: The Expiration Settlement Price shall be calculated as the weighted average of i) the time weighted average of the last 30 minutes of continuous auction in the Borsa Istanbul equity market (in the second session) and ii) the closing price of the index, with 80% and 20% weights, respectively. The calculated weighted average is divided by 1,000 and rounded to the nearest 0.025. In case of any issue, LSEDM shall define the Expiration Settlement Price based on current market conditions.
Premium Settlement	One Bank Day after the Trade Day
Exercise Settlement	One Bank Day after Expiration Day
Tailor-made Contracts: Flexible Parameters	<ul style="list-style-type: none"> • Expiration Day (any Trading Day out to 1 year) • Premium (to two decimal places) • Options Strike Price (to three decimal places)
Strike Prices	For each Expiration month, at least 15 strike prices shall be traded for both call and put options (7 ITM, 7 OTM and 1 ATM) with a strike price generation increment equal to 2 (corresponding to 2,000 index points).