Options on Three Month SONIA Index Future

Contract Specifications

Description	Option which delivers into the nearest Three Month SONIA Index Future contract
Contract Symbol	SO3
Unit of Trading	One Three Month SONIA Index Future
Contract Series	8 Quarterly and 4 Serial The expiry months available for trading will be the relevant number of nearest quarterly expiry months and the relevant number of nearest serial expiry months. A new expiry month is available for trading the business day after the Last Trading Day of an expiry month, with the exception of Five Year Mid-Curve Options for which a new expiry month is available for trading on the Thursday following the Last Trading Day.
Contract Standard	Assignment of one Three Month SONIA futures contract for the delivery month at the exercise price. The futures delivery month associated with each expiry month shall be: March in respect of January, February and March expiry months; June in respect of April, May and June expiry months; September in respect of July, August and September expiry months; December in respect of October, November and December expiry months.
Last Trading Day	Friday before the third Wednesday of the expiry month If such Friday is not a business day, “Last Trading Day” shall mean the business day immediately preceding such day. On the Last Trading Day, trading in the expiring month will cease at 15:15. All times are London Local Time (LLT)

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Exercise Procedure	(a) Business days other than Last Trading Day: 17:00 (b) Last Trading Day for Serial Expiry Months: 16:00
Expiry	Expiry Time: 16:00
Minimum Price Fluctuation	0.0025 (£6.25)
Strike Price Intervals	For all expiry months: 0.0500, (i.e. 0.0500%) e.g. 99.0000, 99.0500, 99.1000, 99.1500 etc For all contract months: A minimum of 31 Strike Prices in increments of "Exercise Price Intervals" above and below the at-the-money Strike Price. The “at-the-money” strike price is the closest interval nearest to the previous business day’s settlement price of the corresponding underlying future. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in the defined Exercise Price Intervals increments.
Cabinet Transaction Value	£2.50
Algorithm	Central order book applies a gradual time based pro-rata (GTBPR) matching algorithm with a time-weighting of 1 (ie the algorithm is effectively a priority pro-rata matching algorithm) with priority given to the first order at the best price subject to a minimum order size (collar) and limited to a maximum order size (cap).
Wholesale Trade Types	Block Trading, Asset Allocation Minimum Volume Thresholds can be found here
Option Premium	The contract price is not paid at the time of purchase. Option positions, as with futures position, are settled-to-market daily giving rise to positive or negative variation margin flows. When the Buyer exercises/abandons an option, the Buyer is required to pay the original contract price to the Exchange's Clearing House (CH) and the CH will pay the original option price to the Seller on the following business day. Such payments will be netted against the variation margin balances of Buyer and Seller by the CH.