



**THE FOUNDATION
FOR SECURE
MARKETS**

#44143

DATE: DECEMBER 4, 2018

**SUBJECT: PROCESSING DECEMBER 5, 2018 – PRESIDENT GEORGE H.W. BUSH
NATIONAL DAY OF MOURNING
UPDATED EXPIRATION PROCESSING INFORMATION**

Wednesday, December 5, 2018 has been declared a National Day of Mourning in commemoration of the death of President George H.W. Bush. Based on OCC's understanding of current information, OCC processing on December 5, 2018 will take place as follows:

Wednesday, December 5, 2018

Wednesday, December 5, 2018 will be a business day for OCC for purposes of effecting money settlement and accepting all Clearing Member input in the normal fashion. OCC will allow option exercises and expiration processing will occur and OCC will produce all customary output.

The primary stock exchanges have indicated they will be closed on December 5, 2018. All OCC participating options exchanges will be closed on December 5, 2018.

CFE will be closed for regular trading hours but will be open for extended trading on Tuesday, December 4 at 5:00 pm through 8:30 am CT on Wednesday, December 5, 2018. This activity will reflect a business date of December 5, 2018 at OCC. OneChicago will be open but markets will not be available for trading on Wednesday December 5, 2018. NFX will be open for trading with the exception of their fixed income futures which will be suspended for December 5, 2018.

All OCC settlement banks will be open for settlement on Wednesday, December 5, 2018.

Depository Trust Company (DTC) and the National Securities Clearing Corporation (NSCC) will be open for normal business on December 5, 2018. Accordingly, customary OCC/DTC interfaces for securities collateral transactions will be available as usual.

OCC has recently published the Unscheduled Market Closing Guide as a reference for OCC processing <https://www.theocc.com/components/docs/about/publications/unscheduled-market-closings-guide.pdf>

OCC Processing Timeframes

OCC will maintain normal timeframes for processing on December 5, 2018. Although there will not be any trades, OCC will accept post trade transactions and collateral transactions. In addition, Wednesday is a scheduled expiration day and OCC timeframes will not be modified. Exchanges will determine the deadline for the receipt of contrary intentions from customers. Please refer to the exchanges for that information.

CMTA Window Closes	5:00 pm CT
EED/DNED Window Closes	6:00 pm CT
Expiration Window Opens	6:00 pm CT
Expiration Window Closes	6:30 pm CT

All data files will be published within the normal timeframes.

Expiration Pricing and Settlement

Wednesday, December 5, 2018 is an expiration date. There are several contracts expiring. Below is a table listing the prices that OCC will use along with the settlement date.

Expiring Product	Expiration Prices Used	Settlement Date
Expiring Equity Flex Options	Tuesday closing prices	December 7, 2018
SPY Options	Tuesday closing prices	December 7, 2018
Expiring Index Options (not including VIXW Options)	Tuesday closing prices	December 6, 2018
Expiring VIXW Options	SOQ* Price from Thursday, December 6, 2018	December 7, 2018
Expiring VX Futures	SOQ* Price from Thursday, December 6, 2018	December 7, 2018
*SOQ indicates the settlement occurs at the opening using the opening sales price in the primary market of each component security.		

OCC will be publishing Early Prices at 12:00 pm CT on Wednesday.

VIXW Options and VX Futures Expiration Processing

On 12/5/2018, OCC will utilize the closing price for the VIX index on 12/4/2018, in expiring processing for VIXW options and VX futures. Obligations created on 12/5/2018 will settle on 12/6/2018; however additions and modifications to exercise and assignment activity may be made as described below.

On 12/6/2018 OCC will calculate new settlement obligations based on the Special Opening Quote (“SOQ”) price from 12/6/2018. If required, OCC may modify existing or create additional settlement obligations to adjust for differences in settlement amounts or changes to the exercise and assignment activity based on the SOQ price reported on 12/6/2018. Any required adjustments and additional settlement obligations calculated on 12/6/2018 will settle on 12/7/2018.

Clearing Members will see the VIXW options and VX futures activity displayed on their reports and screens on Wednesday, 12/5/2018. SUCH ACTIVITY FOR VIXW OPTIONS SHOULD NOT BE INTERPRETED AS A CONFIRMATION OF EXERCISE AND ASSIGNMENT, OR LACK THEREOF. ONCE THE FINAL SETTLEMENT AMOUNTS HAVE BEEN CALCULATED ON 12/6/2018, THE OBLIGATIONS WILL BE CONFIRMED AND UPDATED AS NECESSARY WITH APPROPRIATE SETTLEMENT AMOUNTS, WITH SETTLEMENT OF NEW AND UPDATED OBLIGATIONS OCCURRING ON 12/7/2018.

Date	Approximate Processing Timeline (All times Listed are approximate)	
12/5/2018	8:00 PM CT	Delivery Advice Available with E/A Activity based on EOD Tuesday VIX Price
12/6/2018	9:00 AM CT	Settlement Occurs for 12/5/2018 Obligations
12/6/2018	9:30 AM CT	Preliminary VIX SOQ Published
12/6/2018	9:30 AM CT - Following VIX SOQ Preliminary Publication	OCC Initial Review for changes to E/A and Settlements
12/6/2018	1:00 PM CT	OCC Contact Firms with preliminary changes
12/6/2018	5:00 PM CT	OCC Contacts Firms with final E/A and Settlement changes
12/7/2018	9:00 AM CT	Settlement Occurs for New and Updated Obligations

Hedge/Stock Loan

The OCC Hedge/Stock Loan program will be processed normally on December 5, 2018. Mark to the market will utilize Tuesday's closing securities prices.

THE FOREGOING IS BASED ON OCC'S UNDERSTANDING OF INFORMATION AVAILABLE AT THIS TIME. PROCEDURES DESCRIBED IN THIS MEMO ARE SUBJECT TO CHANGE.

If you have any questions regarding this memo, please contact Member Services Help Desk at the following numbers: 800-544-6091 or 800-621-6072. Within Canada, please call 800-424-7320. Clearing Members may also e-mail us at memberservices@theocc.com.