

PHLX Utility Sector (UTY)

PHLX Index Options – Sector Based

The PHLX Utility SectorSM (UTYSM) is a capitalization-weighted index composed of diverse public utility stocks. UTY was set to an initial value of 200 on May 1, 1987; options commenced trading on September 22, 1987.

PRODUCT SPECIFICATIONS: PHLX UTILITY SECTOR (UTY)

Symbol	UTY						
Trading Symbol	UTY						
CUSIP® Number	692911100						
Expiration Date	The third Friday of the expiration month.						
Expiration Cycle	Generally, three months from the March quarterly cycle plus two additional near-term months (a minimum of five months). PM settled quarterlies may be listed.						
Settlement Value Symbol	UUW						
Exercise Style	European - may only be exercised on the expiration date.						
Settlement	Cash						
Settlement Value for Expiring Contracts	Based on the closing prices of the component stocks on the expiration date.						
Last Trading Day for Expiring Contracts	The third Friday of the expiration month.						
Index Multiplier	\$100 (i.e., one contract = index value x 100)						
Index Value Calculation	Total Capitalization of Assigned Shares Base Market Divisor						
Exercise (Strike) Price Intervals	The Exchange shall determine fixed-point intervals of exercise prices for index options. Generally, the exercise (strike) price intervals will be no less than \$5. However, the Exchange may determine to list strike prices at no less than \$2.50 intervals if the strike price is less than \$200 for listed indexes, and in response to demonstrated customer interest or specialist request.						
Premium Quotation	One point = \$100. Thus a premium quote of 2 is \$200. The minimum change in a premium under 3 is \$5.00 and the minimum change in a premium of 3 or greater is \$10.00.						
Position Limits	72,000 contracts on the same side of the market. Hedge exemptions are available.						
Margin	Uncovered writers must deposit 100% of the option proceeds plus 20% of the aggregate contract value (current index level multiplied by \$100) minus the amount by which the option is out-of-the-money, if any. Minimum margin is 100% of the option proceeds plus 10% of the aggregate contract value. Long puts or calls must be paid for in full.						
Trading Hours	9:30 a.m. to 4:00 p.m., ET						
Issuer and Guarantor	The Options Clearing Corporation (OCC)						
Trading Example	An investor anticipates that utility stocks will remain relatively flat or trade within a very limited range. In April, the UTY is at a level of 279. The investor decides to sell 10 out-of-the-money June 295 calls at 1½ (10 x \$1.50 x 100 = \$1,500). At expiration, the index is at a level of 287, and the calls expire worthless. The investor keeps the \$1,500 from the sale.						
	<table border="0"> <tr> <td>Proceeds from sale of UTY calls</td> <td>Value of UTY calls at expiration</td> <td>\$1,500</td> </tr> <tr> <td>Profit</td> <td></td> <td>\$1,500</td> </tr> </table>	Proceeds from sale of UTY calls	Value of UTY calls at expiration	\$1,500	Profit		\$1,500
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