

Overview of Technical Documentation for Weekly Stock Options

Clearing Report Samples:

Please be reminded that with the introduction of weekly stock options, there will be an additional market but no change to layout, nor specification on clearing reports.

1. *Capital Adjustment Series (“TP011”)*

When there is an event that requires a capital adjustment of the stock options contracts (and stock futures contracts if there is stock futures for such the same underlying stock), the before and after adjustment series of weekly and monthly contracts will be displayed in the report.

2. *Automatic Exercise Information for stock options report (“TP013”)*

Although no weekly stock options contract will be listed if the Next Week contract would expire on the same day as the monthly single stock options contract, there is the possibility that the automatic exercise feature will be deferred to the next Business Day due to severe weather conditions (e.g. typhoon day or extreme conditions). As a result, the weekly and monthly expiring stock options contracts would be shown alphabetically, as in the sample.

3. *Daily Trading Activity & Open Positions Summary (“DTOP”)*

A new market code will be assigned to weekly stock options, the corresponding trading activity and open position of weekly stock options will be shown in the DTOP in the sequence of market, which are available at HKEX website.

Risk Management Report Samples:

4. *Daily Risk Parameter file (“RPF”)*

Weekly stock options will have the same contract features as the respective monthly single stock options (except for contract expiry days), hence the same set of risk management measures as that of the monthly stock options will be applied.

The existing margin offset arrangements (i.e. intra-commodity spread charge between different expiries of the same underlying stock options) of the monthly stock options will be extended to include the positions of weekly stock options held in the same eligible net margining clearing account.

Please be reminded that with the introduction of weekly series to single stock options, the format of the daily risk parameter file (“RPF”) will remain the same.

Weekly Series Report Samples:

5. Weekly Series Information

There is no pre-launch arrangement for weekly stock options (except for the initial product launch). This arrangement differs from weekly index options. The Daily Risk Parameter Files (“RPF”) and the Instrument Series Information for Non-Monthly Contracts File (“Weekly Series File”) on the [HKEX website](#) will list the weekly series information from first day of trading (i.e. for weekly stock options, normally every first business day of the week) through their expiry day.

The weekly contract information in RPF files, in combination with those in the Weekly Series File as below, facilitates the participants’ trading, clearing and margin requirement estimation of the weekly stock options from their first day of trading.

Large Open Position (“LOP”) Reporting Requirements:

6. LOP report specification

7. LOP report template

The Exchange will amend position limits and LOP reporting requirements when weekly stock options are introduced to include both weekly and monthly contracts.

The LOP report format will be updated to incorporate these changes. All proposed changes to exchange-level position limits and LOP reporting requirements are subject to regulatory approval. Statutory position limits and LOP reporting requirements may be changed in due course.