

S&P/TSX 60 VIX Index Consultation Results

TORONTO, NOVEMBER 2, 2017: S&P Dow Jones Indices has conducted a consultation with members of the investment community on potential changes to the S&P/TSX 60 VIX Index.

Effective prior to the market open on Monday, December 4, 2017, S&P Dow Jones Indices will make the following changes to the S&P/TSX 60 VIX Index:

Change	Current Methodology	New Methodology
Definition of the at-the-money strike, K_0 .	K_0 is set equal to F , the forward index level.	K_0 is defined as the strike that is nearest to F , the forward index level.
Options selected in the volatility calculation.	If strike $K < K_0$, use put prices; if strike $K \geq K_0$, use call prices.	If strike $K < K_0$, use put prices; if strike $K > K_0$, use call prices; if strike $K = K_0$, use the average price of the put and the call.
	After encountering two consecutive puts with a bid price of zero, do not select any other puts; after encountering two consecutive calls with a bid price of zero, do not select any other calls.	Start with the put strike immediately less than K_0 and move to successively lower strike prices (K). Compare the option price at K to the one immediately greater than K and already validated. The option price is only valid when it is less than or equal to the price for the last validated K . After encountering two consecutive puts with a bad price or zero, do not select any other puts.
		Start with the call strike immediately greater than K_0 and move to successively higher strike prices (K). Compare the option price at K to the one immediately greater than K and already validated. The option price is only valid when it is less than or equal to the price for the last validated K . After encountering two consecutive puts with a bad price, or zero, do not select any other puts.

Please note that the methodology on S&P Dow Jones Indices' website is being updated to reflect the change.

For more information about S&P Dow Jones Indices, please visit www.spdji.com

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