

FX Options








Take Your Investing to The Next Level

Diversify your portfolio by trading foreign currencies. Nasdaq FX Options are U.S. dollar settled options on seven major currencies. Traded in the same account as stock and ETP options, Nasdaq FX Options are easy to access. Market participants, including retail investors, currency traders and asset managers, can leverage FX Options to execute a variety of strategies.

EASY TO UNDERSTAND /

Displayed similar to index options – moving the decimal two places to the right.

Easy-to-use with standardized underlying contracts:

10,000 UNITS	SYMBOL	
AUSTRALIAN DOLLAR	XDA	
BRITISH POUND	XDB	
CANADIAN DOLLAR	XDC	
EURO	XDE	
SWISS FRANC	XDS	
NEW ZEALAND DOLLAR	XDZ	
1,000,000 UNITS	SYMBOL	
JAPANESE YEN	XDN	

The manageable size of the options contracts, coupled with U.S. dollar settlement, allows for simple and straightforward calculation of premiums, profits and losses. For those investors familiar with trading options on indexes, currency options strategies follow similar principles.

EASY TO TRADE /

- Retail-focused and sized.
- U.S. dollar-settled, rather than in underlying foreign currency.
- European-style exercise but can always be bought or sold prior to expiration.

WHY USE FX OPTIONS /

- Gain exposure to currencies.
- Manage/neutralize risk.
- Reduce or neutralize risk of an asset purchased overseas.
- Limit your risk to the amount of premium invested.
- Choose your time period, strike price, etc.
- Trade in bullish, bearish and neutral market conditions.
- Trade complex options strategies.

Contract size is **10,000** currency units. Yen is 1,000,000 units.

Assume that...

Euro vs. U.S. \$

1.1175
AT TIME
OF TRADE

STRIKE PRICE
EURO CALL

112.0

(Similar to index options, we
move the decimal point two
places to the right)

INVESTOR BUYS
1 EURO CALL

PREMIUM

= 1.25 X \$100

MULTIPLIER

= **\$125.00**

Euro vs. U.S. \$

↑ 1.15 AT
OPTION
EXPIRATION

VALUE NOW

1.15 - 1.12 = .03

3.0 POINTS
PREMIUM

5.00 X \$100 = **\$300**

\$300 proceeds
- \$125 option cost

\$175 Profit

START TRADING TODAY /

Enhance your portfolio with FX Options today! FX Options have been structured to be available for trading through any approved options account at a securities broker-dealer.

For the sake of simplicity, the examples provided do not take into consideration commissions and other transaction fees, tax considerations, or margin requirements, which are factors that may significantly affect the economic consequences of a given strategy. An investor should review transaction costs, margin requirements and tax considerations with a broker and tax advisor before entering into any options or futures strategy. Options and futures involve risk and are not suitable for everyone.

Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies may be obtained from your broker, one of the exchanges or The Options Clearing Corporation, One North Wacker Drive, Suite 500, Chicago, IL 60606 or call + 1 888 OPTIONS or visit www.888options.com.

Any strategies discussed, including examples using actual securities and price data, are strictly for illustrative and education purposes and are not to be construed as an endorsement, recommendation or solicitation to buy or sell securities. Supporting documentation will be supplied upon written request. All options and futures can lose value.

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