

USD/TRY OPTION CONTRACTS

What is USD/TRY Option Contract?

USD/TRY option contract is a contract enacted between a buyer and a seller, which entitles the buyer to buy or sell the USD/TRY parity at the determined price (strike price) on a certain maturity date, in return of a certain amount (option premium), and which obliges the seller to sell or buy such parity in the event that the buyer exercises his/her right arising from the contract.

What are the benefits of USD/TRY Option Contracts?

- Investors get full price transparency.
- It protects investors against currency risk.
- Counterparty risk is entirely eliminated.
- It enables trading in desired price ticks.
- By using various trading strategies, investors can profit in all type of price changes.
- It provides high leverage opportunity.

How to start trading USD/TRY Option Contracts?

In order to start trading at VIOP, you shall open a brokerage account from one of our members. Information about our members can be found at <http://borsaistanbul.com/en/members/members-list>.

What is the trading fee for the USD/TRY Option Contracts?

The trading fee is 0.003% of the premium value for USD/TRY Option Contracts.

How does margining work for USD/TRY Option Contracts?

Trades executed in the Market are subject to portfolio based margining method. Takasbank uses BISTECH margin algorithm for portfolio based margining. Parameters constituting the basis for portfolio based margining calculation shall be determined and announced by Takasbank.

Initial Margin: Set by the BISTECH margining method.

How can you view market data and real-time quotes for USD/TRY Option Contracts?

VIOP market data is available on the Borsa İstanbul website with the following link:

<http://www.borsaistanbul.com/en/data/data/viop-derivatives-market>

Data Vendor	Code
Matriks	Contract Codes i.e. O_USDTRYKE0118C3850
Foreks	Contract Codes i.e. O_USDTRYKE0118C3850
DirectFN	You can see the data from Borsa İstanbul VIOP products page on the Euroline Data Terminal.
Bloomberg	TYX Curncy OMON
Reuters	O#ISTOPT: <enter>

What are the risks of USD/TRY Option Contracts?

- An option contract is for a short time period - for example USD/TRY options are for a month. Some investors are more comfortable with a longer term investment generating ongoing income.
- Risk of buyer is limited with the premium paid but writers of options are sometimes forced into buying or selling the underlying at an unfavorable price, the risk associated with certain short positions may be higher.

What are the other option contracts traded at VIOP?

Options contracts traded at VIOP are listed below:

Underlying Group	Code
Currency	USD/TRY
Equity	AKBNK, ARCLK, EKGYO, EREGL, GARAN, HALKB, ISCTR, KCHOL, KRDM, PETKM, PGSUS, SAHOL, SISE, TCELL, THYAO, TOASO, TTKOM, TUPRS, VAKBNK and YKBNK
Equity Index	BIST 30 and Mini BIST 30

Summary Contract Specification

Underlying Asset	USD/TRY		
Option Class	Call and Put Options		
Exercise Style	European		
Contract Size	1,000 USD		
Price Quotation	For the premium value in terms of Turkish Lira per 1,000 USD		
Minimum Price Tick	0.1 TRY		
Contract Months	Two consecutive months shall be traded concurrently		
Settlement	Cash		
Last Trading Day	Last business day of the contract month		
Daily Settlement Price	The weighted average price of all the trades executed within the last 10 minutes of the normal session		
Exchange Delivery Settlement Price	Multiplying the average of USDollar bid and offer rate announced by the Central Bank of the Republic of Turkey at 15:30 of the last trading day by 1,000.		
Settlement Day	Last business day of the contract month		
Settlement Period	T+1 (first day following the expiry date)		
Daily Price Limit	Base Price	Limit Value	Limit Example
	0.01-49.9	Fixed +50.00	Base Price : 5.00 Lower Limit : - Upper Limit : 55.00
	50.0-99.9	Percentage +%400	Base Price : 70.00 Lower Limit : - Upper Limit : 350.00
	100.0+	Fixed +500.00	Base Price : 150.00 Lower Limit : - Upper Limit : 650.00
Trading Hours	09:30-18:15 GMT+3		
Central Counter Party	Takasbank - Istanbul Settlement and Custody Bank.		

Disclaimer

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Contract Codes of the Currency Options

An option contract code includes information on the type of contract, underlying and maturity date.

Example:	O_USDTRYKE01183850
O	Option Contract
Underlying Asset Code	USDTRYK
E	E: European
0118	Maturity Date (MMYY - January 2018)
C	C: Call option P: Put Option
3850	Strike Price

Further Information:

<http://www.borsaistanbul.com/en/products-and-markets/markets/futures-and-options-market>

E-mail: viop@borsaistanbul.com

T: +90 212 298 24 27

For Further Information Regarding Clearing and Settlement Procedure:

<http://www.takasbank.com.tr/en/Pages/Procedures.aspx>

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To See Our Market Makers:

<http://www.borsaistanbul.com/en/products-and-markets/markets/derivatives-market-viop/market-making>

For ISIN Codes of the VIOP Contracts:

<https://www.takasbank.com.tr/en/resources/isin-list>