Attachment 2 to NYSE Liffe Notice No. 01/2008

Effective: 7 September 2008

NYSE Liffe Rule 405: Recognised Strategies

The table below lists the NYSE Liffe recognised strategies (including volatility trades) that may be traded on LIFFE CONNECT®. The components of a strategy (whether a buy or sell order) **must always** be created from the **BUY** perspective, as defined below.

The table shows product groups in which recognised strategies may be initiated.

KEY:

CF	100 oz. Gold futures and 5,000 oz. Silver futures
MF	Mini-sized Gold futures and Mini-sized Silver futures
CO	100 oz. Gold futures options and 5,000 oz. Silver futures options

LIFFE CONNECT® Strategies

Strategy	LIFFE CONNECT® Strategy Code	Fut/ Opt	CF	MF	CO	STRATEGY STRUCTURE - Buy perspective (Sequence in which the strategy order must always be entered, irrespective of whether it is a buy or sell order)
Jelly Roll	A	Opt			✓	Buy a reversal in one serial month and sell the reversal in another serial month to produce a synthetic spread between both months. Sell call, buy put at same strike in near month, buy call, sell put at same strike in far month (strike price in far month need not equal strike price in near month).
Butterfly[1]	B	Fut	✓	✓		Buy one contract in near Calendar month Sell two contracts far month, Buy one contract in a further dated expiry month. The gaps between the months do not have to be equal/ consecutive
Call Butterfly	B	Opt			✓	Buy call, sell two calls at higher strikes, buy call at a higher strike (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Butterfly		Opt			✓	Buy put, sell two puts at higher strikes, buy put at a higher strike (The strikes do not have to be consecutive and the gaps between them do not have to be equal)

Strategy	LIFFE CONNECT® Strategy Code	Fut/ Opt	CF	MF	CO	STRATEGY STRUCTURE - Buy perspective (Sequence in which the strategy order must always be entered, irrespective of whether it is a buy or sell order)
Call Spread	D	Opt			✓	Buy call, sell call (same month) at higher strike
Put Spread		Opt			✓	Buy put, sell put (same month) at lower strike
Calendar Spread[1]		Fut	✓	✓		Buy one contract in the near month, sell one contract in the far month
Call Calendar Spread	E	Opt			✓	Sell near month call, buy far month call (Same strikes across the two months)
Put Calendar Spread		Opt			✓	Sell near month put, buy far month put (Same strikes across the two months)
Call Diagonal Calendar Spread	F	Opt			✓	Sell near month call, buy far month call at a different strike
Put Diagonal Calendar Spread		Opt			✓	Sell near month put, buy far month put at a different strike
Guts	G	Opt			✓	Buy call, buy put at higher strike
2x1 Ratio Call Spread [2]	H	Opt			✓	Sell call, buy two calls at higher strike
2x1 Ratio Put Spread [2]		Opt			✓	Sell put, buy two puts at lower strike
Iron Butterfly	I	Opt			✓	Buy the straddle, sell the Strangle. This must be entered in the following sequence, which equates to the same: Sell put, buy put and call at higher strike, sell a call at an even higher strike (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Combo[3]	J	Opt			✓	Sell call, buy put at lower strike
Strangle	K	Opt			✓	Buy put, buy call at higher strike
Call Ladder	L	Opt			✓	Buy call, sell call at higher strike, sell call at even higher strike (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Ladder		Opt			✓	Sell put, sell put at higher strike, buy put at even higher strike (The strikes do not have to be consecutive and the gaps between them do not have to be equal)

Strategy	LIFFE CONNECT® Strategy Code	Fut/ Opt	CF	MF	CO	STRATEGY STRUCTURE - Buy perspective (Sequence in which the strategy order must always be entered, irrespective of whether it is a buy or sell order)
Strip[1]	M	Fut				The simultaneous purchase of one or more contracts in four or more quarterly delivery months within a single contract. Any quarterly delivery month can act as the first month of the Strip, as long as there are at least three following months available. Serial months in a contract are ignored and cannot form part of a Strip Strategy. The number of lots in each leg can vary. Selling the Strip involves selling all months in the Strip, vice versa for buying
Call Strip		Opt			✓	Buy between three and eight calls. (The strikes and expiry months do not need to be the same but strikes and expiry months must be entered in ascending order).
Put Strip		Opt			✓	Buy between three and eight puts. (The strikes and expiry months do not need to be the same but strikes and expiry months must be entered in ascending order).
Straddle Calendar Spread	N	Opt			✓	Sell Straddle in near month, buy Straddle in far month at same strike. (Sell near month put, sell near month call, buy far put, buy far call).
Pack[1]	O	Fut				Buy four consecutive delivery months in the same delivery year. (The same volume must be traded in each delivery month and the delivery months must be consecutive).
Diagonal Straddle Calendar Spread	P	Opt			✓	Sell Straddle in near month, buy Straddle in far month at different strike: Sell near month put, sell near month call at the same strike, buy far month put, buy far month call at a the same strike
Reversal (Conversion)	R	Opt			✓	Reversal: Buy call, sell put at same strike, sell underlying To trade a 'conversion' the order must be entered in the same sequence as above, but submitted to the market as an offer order.
Straddle	S	Opt			✓	Buy put, buy call at same strike
Condor[1]	W	Fut	✓	✓		Buy one contract month in the first month of the strategy, sell one contract in each of the next two delivery months and Buy one contract in the fourth month. The gaps between the months do not have to be equal/consecutive
Call Condor		Opt			✓	Buy call, sell call at two equally higher strikes, buy put at a higher strike. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Condor		Opt			✓	Buy put, sell put at two equally higher strikes, buy put at a higher strike. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)

Strategy	LIFFE CONNECT® Strategy Code	Fut/ Opt	CF	MF	CO	STRATEGY STRUCTURE - Buy perspective (Sequence in which the strategy order must always be entered, irrespective of whether it is a buy or sell order)
Iron Condor	w	Opt			✓	Buy the call spread and also buy the put spread with lower strikes Sell put, buy put at higher strike, buy call at even higher strike, sell call at even higher strike (all series for the same expiry month).
Box	X	Opt			✓	Buy call and sell put at lower strike, buy put and sell call at higher strike. The strike prices of the lower strikes should be the same, the strike price of the higher strikes should be the same.
Synthetic conversion/reversal	r	Opt			✓	This is a standard conversion/reversal strategy but without the Underlying leg. Reversal: Buy a call, sell a put at the same strike To trade a Conversion the order must be entered in the same sequence as above, but submitted to the market as a sell/offer order
3 – Way: Buy a Call spread versus a Put	x	Opt			✓	Buy a Call spread versus selling a put: Buy a call, sell a call at a higher strike, sell a put at any strike
3 – Way: Buy a Put spread versus a Call	y	Opt			✓	Buy a Put spread versus selling a call: Buy a put, sell a put at a lower strike, sell a call at any strike.
Bundle[1]	Y	Fut				Bundles are standardized Strips. The first month of a Bundle is configurable and usually the front quarterly month but it could be any of the quarterly expiries in the year. The number of lots in each leg must be the same. LIFFE CONNECT® currently recognises four Bundles: 2 – Year Bundle/3 – Year Bundle/4 – Year Bundle/5 – Year Bundle
3 – Way: Straddle versus a Call	z	Opt			✓	Buy a Straddle versus selling a call: Buy a put and call at the same strike, as well as selling a call at any strike.
3 – Way: Straddle versus a Put		Opt			✓	Buy a Straddle versus selling a put: Buy the straddle (i.e. Buy a put and call at the same strike), as well as selling a put at any strike.

LIFFE CONNECT® VOLATILITY STRATEGIES[4]

Strategy	LIFFE CONNECT® Strategy Code	Fut/ Opt	CF	MF	CO	STRATEGY STRUCTURE - Buy perspective (Sequence in which the strategy order must always be entered, irrespective of whether it is a buy or sell order)
Call versus the underlying	V	Opt			✓	Buy call, sell Underlying
Put versus the underlying		Opt			✓	Buy put, buy Underlying
Call spread versus underlying	d	Opt			✓	Buy call, sell call at higher strike, sell the underlying
Put spread versus underlying		Opt			✓	Buy put, sell put at lower strike, buy the underlying
Straddle versus buying underlying	s	Opt			✓	Buy put, buy call at same strike, buy the underlying
Straddle versus selling underlying		Opt			✓	Buy put, buy call at same strike, sell the underlying
Strangle versus buying underlying	k	Opt			✓	Buy put, buy call at higher strike, buy the underlying
Strangle versus selling underlying		Opt			✓	Buy put, buy call at higher strike, sell the underlying
Call Ladder versus buying underlying	a	Opt			✓	Buy call, sell call at higher strike, sell call at even higher strike, buy the underlying
Call Ladder versus selling underlying		Opt			✓	Buy call, sell call at higher strike, sell call at even higher strike, sell the underlying
Put Ladder versus buying underlying		Opt			✓	Sell Put, sell Put at higher strike, buy put at even higher strike, buy the underlying
Put Ladder versus selling underlying		Opt			✓	Sell put, sell put at higher strike, buy put at even higher strike, sell the underlying
Call Spread versus sell Put versus underlying	c	Opt			✓	Buy Call spread versus selling a put versus selling the underlying: Buy a call, sell a call at a higher strike, sell a put at any strike, selling the underlying.

Put Spread versus sell Call versus underlying	p	Opt			✓	Buy Put spread versus selling a call versus buying the underlying: Buy a put, sell a put at a lower strike, sell a call at any strike, buy the underlying
Combo versus buying underlying	j	Opt			✓	Sell call, buy a put at a lower strike, buy underlying
Call Calendar Spread versus buying underlying	e	Opt			✓	Sell near month call, buy far month call (same strike across the two months), buy the underlying.
Call Calendar Spread versus selling underlying		Opt			✓	Sell near month call, buy far month call (same strike across the two months), sell the underlying
Put Calendar Spread versus buying underlying		Opt			✓	Sell near month Put, buy far month put (same strikes across the two months), buy or sell the underlying
Put Calendar Spread versus selling underlying		Opt			✓	Sell near month put, buy far month put (same strikes across the two months), sell the underlying
2 by 1 Ratio Call Spread versus buying underlying[2]	h	Opt			✓	Sell call, buy two calls at higher strike, buy the underlying
2 by 1 Ratio Call Spread versus selling underlying[2]		Opt			✓	Sell call, buy two calls at higher strike, sell the underlying
2 by 1 Ratio Put Spread versus buying underlying[2]		Opt			✓	Sell put, buy two puts at lower strike, buy the underlying
2 by 1 Ratio Put Spread versus selling underlying[2]		Opt			✓	Sell put, buy two puts at lower strike, sell the underlying
Guts versus buying underlying	g	Opt			✓	Buy call, buy put at higher strike and buy the underlying
Guts versus selling underlying		Opt			✓	Buy call, buy put at higher strike and sell the underlying

Call Butterfly versus buying underlying	b	Opt			✓	Buy call, sell two calls at higher strikes, buy call at a higher strike, buy the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Call Butterfly versus selling underlying		Opt			✓	Buy call, sell two calls at higher strikes, buy call at a higher strike, sell the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Butterfly versus buying underlying		Opt			✓	Buy put, sell two puts at higher strikes, buy put at a higher strike, buy the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Butterfly versus selling underlying		Opt			✓	Buy put, sell two puts at higher strikes, buy put at a higher strike, sell the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Call Diagonal Calendar Spread versus buying underlying	f	Opt			✓	Sell near month call, buy far month call at a different strike and buy the underlying
Call Diagonal Calendar Spread versus selling underlying		Opt			✓	Sell near month call, buy far month call at a different strike and sell the underlying
Put Diagonal Calendar Spread versus buying underlying		Opt			✓	Sell near month put, buy far month put at a different strike and buy the underlying
Put Diagonal Calendar Spread versus selling underlying		Opt			✓	Sell near month put, buy far month put at a different strike and sell the underlying
Iron Butterfly versus buying underlying	i	Opt			✓	Buy the straddle, sell the Strangle and buy the underlying. This must be entered in the following sequence, which equates to the same: Sell put, buy put and call at higher strike, sell a call at an even higher strike and buy the underlying. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Iron Butterfly versus selling underlying		Opt			✓	Buy the straddle, sell the Strangle and sell the underlying. This must be entered in the following sequence, which equates to the same: Sell put, buy put and call at higher strike, sell a call at an even higher strike and sell the underlying. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)

Combo versus buying underlying	j	Opt			✓	Sell call, buy a put at a lower strike, buy underlying
Strangle versus selling underlying	k	Opt			✓	Buy put, buy call at higher strike, sell the underlying
Straddle Calendar Spread versus buying underlying	n	Opt			✓	Sell Straddle in near month, buy Straddle in far month at same strike and buy the underlying (Sell near month put, sell near month call, buy far put, buy far call)
Straddle Calendar Spread versus selling underlying		Opt			✓	Sell Straddle in near month, buy Straddle in far month at same strike and sell the underlying (Sell near month put, sell near month call, buy far put, buy far call)
Diagonal Straddle Calendar Spread versus buying underlying	q	Opt			✓	Sell Straddle in near month, buy Straddle in far month at different strike and buy the underlying: Sell near month put, sell near month call at the same strike, buy far month put, buy far month call at a different strike and buy the underlying
Diagonal Straddle Calendar Spread versus selling underlying		Opt			✓	Sell Straddle in near month, buy Straddle in far month at different strike and sell the underlying: Sell near month put, sell near month call at the same strike, buy far month put, buy far month call at a different strike and sell the underlying
Call Condor versus buying underlying	t	Opt			✓	Buy call, sell call at two equally higher strikes, buy call at a higher strike and buy the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Call Condor versus selling underlying		Opt			✓	Buy call, sell call at two equally higher strikes, buy call at a higher strike and sell the underlying (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Condor versus buying underlying		Opt			✓	Buy put, sell put at two equally higher strikes, buy put at a higher strike and buy the underlying. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Put Condor versus selling underlying		Opt			✓	Buy put, sell put at two equally higher strikes, buy put at a higher strike and sell the underlying. (The strikes do not have to be consecutive and the gaps between them do not have to be equal)
Iron Condor versus buying underlying	v	Opt			✓	Buy the call spread and also buy the put spread with lower strikes and buy the underlying Sell put, buy put at higher strike, buy call at even higher strike, sell call at even higher strike and buy the underlying (all series for the same expiry month).
Iron Condor versus selling underlying		Opt			✓	Buy the call spread and also buy the put spread with lower strikes and sell the underlying Sell put, buy put at higher strike, buy call at even higher strike, sell call at even higher strike and sell the underlying (all series for the same expiry month).

[1] For certain contracts, LIFFE CONNECT® will facilitate the Implied trading of both "implied outs" from strategies and "implied ins" from outrights into strategies. However, only implied "out" prices and volumes will be reported across the API to connected front-ends, with the front ends being relied upon to generate implied "in" prices locally.

Implied "in" trading functionality has been implemented for Butterflies and Condors in all NYSE Liffe precious metals futures.

Implied "in" and implied "out" trading functionality has been implemented for Futures Calendar Spreads.

There is currently no implied functionality configured for NYSE Liffe Options contracts.

[2] 2x1 Ratio Call/Put Spreads should always be quoted and priced in terms of the leg with a ratio of 2, i.e. the 2x1 9500/9600 Call Spread must be priced/quoted in terms of the premium of the 9600 Calls multiplied by 2, over the premium of the 9500 Calls.

[3] Combos should always be quoted and priced in terms of the Put leg over the Call leg.

[4] It is not permissible to enter volatility trades into LIFFE CONNECT® with GTC designations.