

Short-Dated Index Options FAQs

What is a Short-Dated Index Option?

A Short-Dated Index Option is an exchange-traded option over the S&P/ASX 200 Index that is available with an expiry on every trading day from Monday to Friday.

How is it different from Weekly Options?

Short-Dated Index Options have daily expiries and settle using the closing index level, while existing Weekly Options expire on Thursdays and settle using the opening index level the day after expiry.

Can I sell before expiry?

Yes, you can seek to close your position by selling the option before expiry.

What happens at expiry?

At expiry, the option's value is determined using the closing level of the S&P/ASX 200 Index on expiry day and any settlement amount is paid in cash.

Do I receive shares?

No, Short-Dated Index Options are cash settled, so there is no delivery of shares.

What is cash settlement?

Cash settlement means any amount payable at expiry is settled in cash based on the option's value, without shares changing hands.

How much can I lose?

If you buy a Short-Dated Index Option, you may lose some or all of the premium paid.

Why can the option's value change quickly?

As expiry approaches, the price of a Short-Dated Index Option can become highly sensitive to movements in the underlying S&P/ASX 200 Index, particularly when the index is close to the option's strike price. This means a relatively small movement in the index can cause the option's value to change quickly.

What costs should I consider?

Consider the option premium, brokerage, exchange fees and any other costs charged by your broker, as brokerage, fees and other transaction costs may represent a larger portion of your overall trade.

Who should use this product?

Short-Dated Index Options may be suitable for investors who understand how options work and the risks involved, and who consider the product appropriate for their investment objectives.

Where can I learn more before trading?

Explore related ASX educational resources to learn more about options, their features and the risks involved.

- [ASX Options Knowledge Hub](#)