



Company Warrants & Options

Exchange-Traded Option

A financial derivative that represents a contract sold by one party (option writer) to another party (option holder).

The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

Call options give the option to buy at certain price, so the buyer would want the stock to go up.

Put options give the option to sell at a certain price, so the buyer would want the stock to go down.



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Company Warrants & Options

Citigroup, Inc. (C)

-NYSE

27.65 + 0.19(0.69%) Jul 3, 1:00PM EDT

View By Expiration: Jul 12 | **Aug 12** | Sep 12 | Oct 12 | Nov 12 | Dec 12 | Jan 13 | M

Options Expiring Friday, October 19, 2012

Calls							Strike Price	Puts						
Symbol	Last	Change	Bid	Ask	Volume	Open Int		Symbol	Last	Change	Bid	Ask	Volume	Open Int
C121020CO0019000	N/A	0	8.8	9.2	N/A	0	19	C121020PO0019000	0.43	↓ 0	0.37	0.41	30	30
C121020CO0020000	7.86	0	8.1	8.2	5	7	20	C121020PO0020000	0.62	0	0.46	0.49	10	10
C121020CO0021000	N/A	0	7.15	7.3	N/A	0	21	C121020PO0021000	0.67	0	0.57	0.6	52	480
C121020CO0022000	6.05	0	6.3	6.45	28	33	22	C121020PO0022000	1.11	0	0.71	0.74	20	67
C121020CO0023000	5.15	0	5.55	5.6	20	20	23	C121020PO0023000	1.03	0	0.89	0.92	67	658
C121020CO0024000	N/A	0	4.7	4.85	N/A	0	24	C121020PO0024000	1.23	0	1.1	1.13	21	4,255
C121020CO0025000	3.95	0	4.05	4.1	23	198	25	C121020PO0025000	1.59	0	1.37	1.4	2	749
C121020CO0026000	3.25	↑ 0.10	3.35	3.4	1	129	26	C121020PO0026000	1.72	↓ 0.72	1.69	1.72	200	380
C121020CO0027000	2.65	↓ 0.03	2.75	2.78	20	397	27	C121020PO0027000	2.33	0	2.07	2.1	82	698
C121020CO0028000	2.11	↓ 0.07	2.19	2.23	2	313	28	C121020PO0028000	2.92	0	2.52	2.55	64	897
C121020CO0029000	1.7	0	1.72	1.75	10	136	29	C121020PO0029000	4.4	0	3	3.1	25	196
C121020CO0030000	1.32	↓ 0.01	1.32	1.35	31	351	30	C121020PO0030000	4.15	0	3.6	3.7	7	155
C121020CO0031000	1.04	↓ 0.04	0.98	1.01	473	698	31	C121020PO0031000	5.25	0	4.3	4.35	11	45
C121020CO0032000	0.73	↓ 0.06	0.73	0.75	12	199	32	C121020PO0032000	1.5	0	5	5.15	N/A	0
C121020CO0033000	0.53	↓ 0.03	0.53	0.55	62	355	33	C121020PO0033000	6.7	0	5.8	5.95	5	5
C121020CO0034000	0.42	0	0.36	0.39	40	132	34	C121020PO0034000	0.36	0	6.65	6.8	N/A	0
C121020CO0035000	0.27	0	0.25	0.28	9	148	35	C121020PO0035000	7.79	0	7.55	7.7	5	24



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Exercise I (working in pairs)

From the above table, which is the month of the Citigroup (C) option?

1. When is the expiry date?
2. If you wish to buy immediately one call option contract with Strike Price \$27, how much you need to pay?
3. If you wish to sell (write) immediately one put option contract with Strike Price \$30, how much would you receive?



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Company Warrant

A warrant is like an option.

It gives the holder the right but not the obligation to buy an underlying security at a certain price, quantity and future time.

It is unlike an option in that a company warrant is issued by a company, whereas an option is an instrument of the stock exchange.

Companies will often include warrants as part of a new-issue offering to entice investors into buying the new security.

A warrant can also increase a shareholder's confidence in a stock, provided the underlying value of the security actually does increase over time.



Company Warrants & Options

Exercise II (working in pairs)

Go to www.sgx.com

Find the company warrants issued by Sinarmas Land Limited.

Answer the following questions:

1. When is the Expiry Date of this warrant?
2. What is the Conversion Ratio?
3. What is the Exercise Price of the warrant?
4. Is it worthwhile to convert now? Why?

Find the company warrants issued by Old Chang Kee and answer the same questions above.



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