



THE OPTIONS CLEARING CORPORATION

#23597

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DATE: SEPTEMBER 26, 2007

SUBJECT: PARKER-HANNIFIN CORPORATION – 3 FOR 2 STOCK SPLIT
FUTURES SYMBOL: PH1C
EX-DATE: OCTOBER 2, 2007

The contract adjustment described below utilizes the *new method of contract adjustment* wherein settlement prices, number of contracts, and price multipliers are *unchanged* for certain kinds of stock splits and stock dividends (See OCC Information [Memo 23483](#).) It is important that futures investors be aware that it will be necessary to *calculate* the current market value of the adjusted futures deliverable to correctly determine the future's trade/settlement price value. See "Pricing" and "Important Trading Considerations" below.

CONTRACT ADJUSTMENT

The Options Clearing Corporation ("OCC") has been advised that Parker-Hannifin Corporation ("PH") has announced a 3 for 2 Stock Split. The ex-distribution date is Tuesday, October 2, 2007. The payable date is October 1, 2007. The record date is September 17, 2007.

Pursuant to Article XII, Section 3, of OCC's By-Laws, all Parker-Hannifin Corporation Security Futures will be adjusted as follows

Effective Date:	Effective the opening of business October 2, 2007 and thereafter
Option Symbol:	PH1C changes to PH2C
Number of Contracts:	Unchanged
Settlement Prices:	Unchanged
Multiplier:	100 (e.g., 1.00 equals \$100.00)
New Deliverable Per Contract:	150 Parker-Hannifin Corporation ("PH") Common Shares
CUSIP:	701094104

PRICING

The underlying price for the deliverable of PH2C futures must be **calculated**, as follows:

$$\text{PH2C (Deliverable)} = 1.5 (\text{PH})$$

For example, after the contract adjustment, if PH closes at 74, the PH2C deliverable price would be calculated as follows:

$$\text{PH2C} = 1.5 (74) = 111$$

Accordingly:

If the previous day's settlement price was 110.50, and today's settlement price was 111.00, the mark-to-market value would be \$50. That is, $\$50 \times 100$, **not** $\$50 \times 150$.

At expiration, a long PH2C position with a settlement price of 111.00 would yield \$11,100 to receive 150 PH shares.

IMPORTANT TRADING CONSIDERATIONS

The contract adjustment described above utilizes the new method of contract adjustment wherein settlement prices, number of contracts, and price multipliers are unchanged for certain kinds of stock splits and stock dividends (See OCC Information Memo 23483.) **With this new method of adjustment, futures investors must always be aware of the number of shares (and possible cash amounts) in the deliverable and the fact that the multiplier used for trade and settlement price dollar extensions remains unchanged (at 100). The number of shares in the deliverable is not the same as the trade/settlement price multiplier.**

CATEGORY: CONTRACT ADJUSTMENTS
SUB-CATEGORY: STOCK SPLIT

For questions regarding this memo, call 1-888-OPTIONS or email options@theocc.com.