Chapter 509
LNG Japan/Korea Marker (Platts) Swap

50901. Description
50901.1 The LNG Japan/Korea Marker (Platts) Swap is a financially settled swap referencing the Platts Japan Korea Marker™ liquefied natural gas (‘LNG’) price assessment for spot physical cargoes delivered ex-ship into Japan and South Korea (Platts JKM™).
50901.2 The CME Clearing Europe commodity code shall be EJKM.

50902. Contract Size
50902.1 The contract size shall be 10,000 mmBtu (million British thermal units).

50903. Contract Months
50903.1 LNG Japan/Korea Marker (Platts) Swaps shall be available for 12 consecutive calendar months.

50904. Settlement Period
50904.1 The Settlement Period for a specified contract month shall be the one month period that starts on, and includes, the 16th calendar day of the month that is two months prior to the contract month, and ends on, and includes the 15th calendar day of the month prior to the contract month.

50905. Prices
50905.1 Prices shall be quoted in U.S. dollars and cents per mmBtu.
50905.2 The minimum price fluctuation in respect of traded prices and daily settlement prices shall be $0.005 per mmBtu.
50905.3 The minimum price fluctuation in respect of the Floating Price shall be $0.001 per mmBtu.
50905.4 There shall be no maximum price fluctuation.

50906. Daily Settlement Prices
50906.1 The Clearing House shall establish settlement prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Clearing Procedures.
50907. Termination of Trading

50907.1 Trade submission shall cease on the last business day in the Settlement Period.

50907.2 On the last trading day, as described in 50907.1, the final time for trade submission shall be 4:30pm Singapore time.

50908. Floating Price

50908.1 The Floating Price shall be determined following the publication of the DES Japan/Korea daily LNG marker (Platts JKM™) by Platts on the last publication day in the Settlement Period. If such day is not a CME Clearing Europe business day, the Floating Price shall be determined on the following CME Clearing Europe business day.

50908.2 The Floating Price for each contract month is equal to the arithmetic average of the DES Japan/Korea Marker (Platts JKM™) published in respect of the contract month by Platts in LNG Daily for each day that it is published during the Settlement Period, as described in 50904.1.

50909. Final Settlement

50909.1 Final settlement for the LNG Japan/Korea Marker (Platts) Swap shall be by financial settlement.

50909.2 Where the Floating Price exceeds the Trade Price, a buyer of a LNG Japan/Korea Marker (Platts) Swap shall receive from the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size. Where the Trade Price exceeds the Floating Price, a buyer of a LNG Japan/Korea Marker (Platts) Swap shall pay to the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

50909.3 Where the Floating Price exceeds the Trade Price, a seller of a LNG Japan/Korea Marker (Platts) Swap shall pay to the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size. Where the Trade Price exceeds the Floating Price, a seller of a LNG Japan/Korea Marker (Platts) Swap shall receive from the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

50910. Disclaimer

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