Chapter 213

European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap

21301. Description
21301.1 The European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap is a financially settled swap referencing the spread differential between the Platts 1% Fuel Oil cargoes fob Northwest Europe price assessment and the Platts 3.5% Fuel Oil barges fob Rotterdam price assessment.
21301.2 The CME Clearing Europe commodity code shall be EFS.

21302. Contract Size
21302.1 The contract size shall be 1,000 metric tons.

21303. Contract Months
21303.1 The European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap shall be available for 52 consecutive calendar months.

21304. Prices
21304.1 Prices shall be quoted in U.S. dollars and cents per metric ton.
21304.2 The minimum price fluctuation shall be $0.01 per metric ton.
21304.3 There shall be no maximum price fluctuation.

21305. Daily Settlement Prices
21305.1 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.

21306. Termination of Trading
21306.1 Trade submission shall cease on the last business day of the contract month.
21306.2 On the last trading day, as described in 21306.1, the final time for trade submission shall be 4:30pm London time.

21307. Floating Price
21307.1 The Floating Price for each contract month is equal to the arithmetic average of the midpoint of the high and low quotations from the Platts European Marketscan for 1%
Fuel Oil under the heading "Cargoes FOB NWE" for each business day that it is determined during the contract month minus the midpoint of the high and low quotations from Platts European Marketscan for 3.5% Fuel Oil under the heading "Barges FOB Rotterdam" for each business day that it is determined during the contract month (using non-common pricing)

21308. Final Settlement

21308.1 Final settlement for the European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap shall be by financial settlement.

21308.2 Where the Floating Price exceeds the Trade Price, a buyer of a European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar 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 European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap shall pay to the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

21308.3 Where the Floating Price exceeds the Trade Price, a seller of a European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar 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 European Fuel Oil NWE High-Low Sulphur (Platts) Spread Calendar Swap shall receive from the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

21309. Disclaimer

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