Chapter 222
Singapore Fuel Oil 180cst (Platts) Average Price Option

22201. Description
22201.1 The Singapore Fuel Oil 180cst (Platts) Average Price Option is a financially settled option referencing the Singapore Fuel Oil 180cst (Platts) Calendar Swap (CME Clearing Europe commodity code: EUA). It is an Asian Style average price option which is financially settled on exercise, and may be exercised on its expiration day only.
22201.2 The CME Clearing Europe commodity code shall be EC5.

22202. Contract Size
22202.1 The contract size shall be 1,000 metric tons.

22203. Contract Months
22203.1 Singapore Fuel Oil 180cst (Platts) Average Price Options shall be available for 36 consecutive calendar months.

22204. Prices
22204.1 Prices shall be quoted in U.S. dollars and cents per metric ton.
22204.2 The minimum price fluctuation shall be $0.001 per metric ton.
22204.3 There shall be no maximum price fluctuation.
22204.4 A cabinet trade may occur at the price of $.001 per metric ton or $1.00 per contract.

22205. Daily Settlement Prices
22205.1 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.

22206. Premium Payment
22206.1 Option premium shall be paid by the buyer to the Clearing House, and received by the seller from the Clearing House in full following the trade. Payments shall be made as directed by the Clearing House.
22207. **Strike Prices**

22207.1 Transactions in Singapore Fuel Oil 180cst (Platts) Average Price Options may be submitted to the Clearing House with strike prices in increments of $0.50 per metric ton, subject to any limits on the range of available strike prices published by the Clearing House.

22208. **Option Exercise**

22208.1 Singapore Fuel Oil 180cst (Platts) Average Price Options may be exercised only on the last trading day, as described in 22209.1.

22209. **Termination of Trading**

22209.1 Trade submission shall cease on the last business day of the contract month.

22209.2 On the last trading day, as described in 22209.1, the final time for trade submission shall be 4:30pm Singapore time.

22210. **Expiry**

22210.1 A Singapore Fuel Oil 180cst (Platts) Average Price Option Contract shall expire on the last business day of the calendar month.

22210.2 On the Expiry Day, as described in 22210.1, the Singapore Fuel Oil 180cst (Platts) Average Price Option Contract shall expire at 4:30pm New York time. Where an option is to be exercised by the buyer, such exercise must be notified to the Clearing House by the expiration time. Any Singapore Fuel Oil 180cst (Platts) Average Price Option for which the Clearing House has not been notified of exercise by the expiration time shall be deemed to be abandoned.

22210.3 The Clearing House shall confirm the assignment of a Singapore Fuel Oil 180cst (Platts) Average Price Option Contract to the seller as soon as reasonably practicable following the expiration time.

22211. **Underlying Reference Price**

22211.1 The Underlying Reference Price for each contract month is equal to the final settlement price for the Singapore Fuel Oil 180cst (Platts) Calendar Swap contract for the same contract month.

22212. **Final Settlement**

22212.1 Final settlement for the Singapore Fuel Oil 180cst (Platts) Average Price Option Contract shall be by financial settlement.
22212.2 For call options, on expiration, the Final Settlement Value will be the greater of the Underlying Reference Price minus the Strike Price or zero, multiplied by the contract size. On exercise, the buyer shall receive the Final Settlement Value as directed by the Clearing House. On assignment, the seller shall pay the Final Settlement Value as directed by the Clearing House.

22212.3 For put options, on expiration, the Final Settlement Value will be the greater of the Strike Price minus the Underlying Reference Price or zero, multiplied by the contract size. On exercise, the buyer shall receive the Final Settlement Value as directed by the Clearing House. On assignment, the seller shall pay the Final Settlement Value as directed by the Clearing House.

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