Chapter 231

European Gasoil European Style Option

23101. Description
23101.1 The European Gasoil European Style Option is a financially settled option referencing the NYMEX European Gasoil Bullet Swap Futures contract. It is financially settled on exercise, and may be exercised on its expiration day only.
23101.2 The CME Clearing Europe commodity code shall be EF8.

23102. Contract Size
23102.1 The contract size shall be 1,000 metric tons.

23103. Contract Months
23103.1 European Gasoil European Style Options shall be available for 36 consecutive calendar months, subject to 23103.2 below.
23103.2 No contract months shall be made available after the December 2014 contract month.

23104. Prices
23104.1 Prices shall be quoted in U.S. dollars and cents per metric ton.
23104.2 The minimum price fluctuation shall be $0.01 per metric ton.
23104.3 There shall be no maximum price fluctuation.
23104.4 A cabinet trade may occur at the price of $.001 per metric ton or $1.00 per contract.

23105. Daily Settlement Prices
23105.1 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.

23106. Premium Payment
23106.1 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.
23107. **Strike Prices**
23107.1 Transactions in European Gasoil European Style Options may be submitted to the Clearing House with strike prices in increments of $5.00 per metric ton, subject to any limits on the range of available strike prices published by the Clearing House.

23108. **Option Exercise**
23108.1 European Gasoil European Style Options may be exercised only on the last trading day, as described in 23109.1.

23109. **Termination of Trading**
23109.1 Trade submission shall cease four NYMEX business days prior to the last trading day of the NYMEX European Gasoil Bullet Swap Futures contract for the same contract month.
23109.2 On the last trading day, as described in 23109.1, the final time for trade submission shall be 4:30pm London time.

23110. **Expiry**
23110.1 A European Gasoil European Style Option Contract shall expire on the last trading day as described in 23109.1.
23110.2 On the Expiry Day, as described in 23110.1, the European Gasoil European Style 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 European Gasoil European Style Option for which the Clearing House has not been notified of exercise by the expiration time shall be deemed to be abandoned.
23110.3 The Clearing House shall confirm the assignment of a European Gasoil European Style Option Contract to the seller as soon as reasonably practicable following the expiration time.

23111. **Underlying Reference Price**
23111.1 The Underlying Reference Price for each contract month is equal to the NYMEX settlement price of the NYMEX European Gasoil Bullet Swap Futures contract for the same contract month on the Expiry Day.

23112. **Final Settlement**
23112.1 Final settlement for the European Gasoil European Style Option Contract shall be by financial settlement.
23112.2 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.

23112.3 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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