Chapter 276

Singapore Jet Kerosene (Platts) Average Price Option

27601. **Description**

27601.1 The Singapore Jet Kerosene (Platts) Average Price Option is a financially settled option referencing the Singapore Jet Kerosene (Platts) Calendar Swap contract (CME Clearing Europe commodity code: EKS). It is an Asian Style average price option which is financially settled on exercise, and may be exercised on its expiration day only.

27601.2 The CME Clearing Europe commodity code shall be EN2.

27602. **Contract Size**

27602.1 The contract size shall be 1,000 barrels.

27603. **Contract Months**

27603.1 Singapore Jet Kerosene (Platts) Average Price Options shall be available for 36 consecutive calendar months.

27604. **Prices**

27604.1 Prices shall be quoted in U.S. dollars and cents per barrel.

27604.2 The minimum price fluctuation shall be $0.001 per barrel.

27604.3 There shall be no maximum price fluctuation.

27604.4 A cabinet trade may occur at the price of $.001 per barrel or $1.00 per contract.

27605. **Daily Settlement Prices**

27605.1 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.

27606. **Premium Payment**

27606.1 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.
27607. **Strike Prices**

27607.1 Transactions in Singapore Jet Kerosene (Platts) Average Price Options may be submitted to the Clearing House with strike prices in increments of $0.50 per barrel, subject to any limits on the range of available strike prices published by the Clearing House.

27608. **Option Exercise**

27608.1 Singapore Jet Kerosene (Platts) Average Price Options may be exercised only on the last trading day, as described in 27609.1.

27609. **Termination of Trading**

27609.1 Trade submission shall cease on the last business day of the contract month.

27609.2 On the last trading day, as described in 27609.1, the final time for trade submission shall be 4:30pm Singapore time.

27610. **Expiry**

27610.1 A Singapore Jet Kerosene (Platts) Average Price Option Contract shall expire on the last business day of the calendar month.

27610.2 On the Expiry Day, as described in 27610.1, the Singapore Jet Kerosene (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 Jet Kerosene (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.

27610.3 The Clearing House shall confirm the assignment of a Singapore Jet Kerosene (Platts) Average Price Option Contract to the seller as soon as reasonably practicable following the expiration time.

27611. **Underlying Reference Price**

27611.1 The Underlying Reference Price for each contract month is equal to the final settlement price for the Singapore Jet Kerosene (Platts) Calendar Swap for the same contract month.

27612. **Final Settlement**

27612.1 Final settlement for the Singapore Jet Kerosene (Platts) Average Price Option Contract shall be by financial settlement.

27612.2 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.

27612.3 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.

27613. Disclaimer

27613.1 Neither CME Clearing Europe Ltd. (“CMECE”) nor Platts, a division of the McGraw-Hill Companies, Inc. (“Platts”) guarantees the accuracy and/or completeness of the index or any of the data included therein. CMECE and Platts make no warranties, express or implied, as to the results to be obtained by any person or entity from use of the assessment, trading based on the assessment, or any data included therein in connection with the trading of any CMECE contract, or, for any other use. CMECE and Platts make no warranties, express or implied, and hereby disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, in no event shall CMECE or Platts have any liability for any lost profits or indirect, punitive, special or consequential damages (including lost profits), even if notified of the possibility of such damages.

“Platts” is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by CMECE. Platts does not sponsor, endorse, sell or promote any CMECE contracts and Platts makes no recommendations concerning the advisability of investing in any CMECE contracts.

Last updated: 2 May 2011