Chapter 503
Henry Hub Natural Gas (NYMEX) European Style Option

50301. Description
50301.1 The Henry Hub Natural Gas (NYMEX) European Style Option is a financially settled option referencing the NYMEX Henry Hub Natural Gas Futures contract. It is financially settled on exercise, and may be exercised on its expiration day only.
50301.2 The CME Clearing Europe commodity code shall be ELN.

50302. Contract Size
50302.1 The contract size shall be 10,000 MMBtu.

50303. Contract Months
50303.1 Henry Hub Natural Gas (NYMEX) European Style Options shall be available for consecutive calendar months for the balance of the current calendar year and five additional full calendar years.

50304. Prices
50304.1 Prices shall be quoted in U.S. dollars and cents and hundredths of cent per MMBtu.
50304.2 The minimum price fluctuation shall be $0.0001 per MMBtu.
50304.3 There shall be no maximum price fluctuation.
50304.4 A cabinet trade may occur at the price of $.0001 per MMBtu or $1.00 per contract.

50305. Daily Settlement Prices
50305.1 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.

50306. Premium Payment
50306.1 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.
50307. **Strike Prices**

50307.1 Transactions in Henry Hub Natural Gas (NYMEX) European Style Options may be submitted to the Clearing House with strike prices in increments of $0.01 per MMBtu, subject to any limits on the range of available strike prices published by the Clearing House.

50308. **Option Exercise**

50308.1 Henry Hub Natural Gas (NYMEX) European Style Options may be exercised only on the last trading day, as described in 50309.1.

50309. **Termination of Trading**

50309.1 Trade submission shall cease one NYMEX business day prior to the last trading day of the NYMEX Henry Hub Natural Gas Futures contract for the same contract month.

50309.2 On the last trading day, as described in 50309.1, the final time for trade submission shall be 2:30pm New York time.

50310. **Expiry**

50310.1 A Henry Hub Natural Gas (NYMEX) European Style Option Contract shall expire on the last trading day as described in 50309.1.

50310.2 On the Expiry Day, as described in 50310.1, the Henry Hub Natural Gas (NYMEX) 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 Henry Hub Natural Gas (NYMEX) European Style Option for which the Clearing House has not been notified of exercise by the expiration time shall be deemed to be abandoned.

50310.3 The Clearing House shall confirm the assignment of a Henry Hub Natural Gas (NYMEX) European Style Option Contract to the seller as soon as reasonably practicable following the expiration time.

50311. **Underlying Reference Price**

50311.1 The Underlying Reference Price for each contract month is equal to the NYMEX settlement price of the NYMEX Henry Hub Natural Gas Futures contract for the same contract month on the Expiry Day.

50312. **Final Settlement**

50312.1 Final settlement for the Henry Hub Natural Gas (NYMEX) European Style Option Contract shall be by financial settlement.
50312.2 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.

50312.3 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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