Chapter 609

European Propane cif ARA (Argus) vs European Naphtha (Platts) Spread Calendar Swap

60901. Description
60901.1 The European Propane cif ARA (Argus) vs. European Naphtha (Platts) Spread Calendar Swap is a financially settled swap referencing the spread differential between the Argus Propane cif ARA (large cargoes) price assessment and the Platts cargoes cif Northwest Europe physical Naphtha price assessment.
60901.2 The CME Clearing Europe commodity code shall be EEPN.

60902. Contract Size
60902.1 The contract size shall be 1,000 metric tons.

60903. Contract Months
60903.1 The European Propane cif ARA (Argus) vs. European Naphtha (Platts) Spread Calendar Swaps shall be available for 36 consecutive calendar months.

60904. Prices
60904.1 Prices shall be quoted in U.S. dollars and cents per metric ton.
60904.2 The minimum price fluctuation shall be $0.001 per metric ton.
60904.3 There shall be no maximum price fluctuation.

60905. Daily Settlement Prices
60905.1 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.

60906. Termination of Trading
60906.1 Trade submission shall cease on the last business day of the contract month.
60906.2 On the last trading day, as described in 60906.1, the final time for trade submission shall be 4:30pm London time.

60907. Floating Price
60907.1 The Floating Price for each contract month is equal to the arithmetic average of the midpoint between the high and low quotations published daily by Argus Media for
Propane cif ARA (large cargoes) for each business day that it is determined during the contract month minus the arithmetic average of the high and low quotations from the Platts European Marketscan for physical Naphtha under the heading “Cargoes cif NWE / Basis ARA” for each business day during the contract month (using non-common pricing).

60908. **Final Settlement**

60908.1 Final settlement for European Propane cif ARA (Argus) vs. European Naphtha (Platts) Spread Calendar Swap shall be by financial settlement.

60908.2 Where the Floating Price exceeds the Trade Price, a buyer of a European Propane cif ARA (Argus) vs. European Naphtha (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 Propane cif ARA (Argus) vs. European Naphtha (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.

60908.3 Where the Floating Price exceeds the Trade Price, a seller of a European Propane cif ARA (Argus) vs. European Naphtha (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 Propane cif ARA (Argus) vs. European Naphtha (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.

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Last updated: October 2011