

Chapter 523A

Heating Oil Crack Spread Average Price Option

523A.01 TYPE OPTION

A Heating Oil Crack Spread Average Price Option contract is a financially settled average price option.

523A.02 EXPIRATION

A Heating Oil Crack Spread Average Price Option contract shall expire on the last business day of the delivery month. The option cannot be exercised prior to expiration.

523A.03 TRADING UNIT

On expiration of a call option, the option will be financially settled by subtracting the strike price from the underlying settlement price of the NYMEX New York Harbor Heating Oil Crack Calendar Swap futures contract times \$1,000, or zero, whichever is greater. On expiration of a put option, the option will be financially settled by subtracting the underlying settlement price of the NYMEX New York Harbor Heating Oil Crack Calendar Swap futures contract from the strike price times \$1,000, or zero, whichever is greater.

523A.04 HOURS OF TRADING

The Heating Oil Crack Spread Average Price Option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. to 2:30 p.m. (New York Prevailing time) Monday through Friday, except on Exchange Holidays.

The Heating Oil Crack Spread Average Price Option contract is available for clearing on CME ClearPort from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York Prevailing time), with a 45-minute break each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays.

523A.05 STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices; (i) the previous day's settlement price for the underlying NYMEX New York Harbor Heating Oil Crack Calendar Swap futures contract rounded off to the nearest twenty-five cent increment, unless such settlement price is precisely midway between two twenty-five cent increments in which case it shall be rounded off to the lower twenty-five-cent increment and (ii) the ten strike prices which are ten twenty-five cent increments higher than the strike price described in section (i) of this Rule 523A.05(A), and (iii) the ten strike prices which are ten twenty-five cent increments lower than the strike price described in section (i) of this Rule 523A.05(A).

(B) Thereafter, on any business day prior to the expiration of the option, new strike prices for both puts and calls will be added, such that at all times there will be at least ten twenty-five cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months. The at-the-money strike price will be determined in accordance with the procedures set forth in Subsection (A) of this Rule 523A.05.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in Heating Oil Crack Spread Average Price Option contract will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a Heating Oil Crack Spread

Average Price Option contract in which no new strike prices may be introduced

523A.06 TRADING MONTHS

Trading in Heating Oil Crack Spread Average Price Option contract shall be conducted in the months determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

523A.07 PRICES

Prices shall be quoted in dollars and cents per barrel. A cabinet trade may occur at the price of \$.001 per barrel or \$1.00, however, if it results in the liquidation of positions of both parties to the trade.

523A.08 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Heating Oil Crack Spread Average Price Option shall not be subject to price fluctuation limitations.