

Chapter 651A

European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option

651A.01 TYPE OPTION

A European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option is an average price option contract financially settled against the settlement prices for the underlying European Jet Kerosene (Platts) Cargoes CIF NWE Calendar Swap Futures contract. The option is a European-style option and cannot be exercised prior to expiration.

651A.02 EXPIRATION

A European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option contract shall expire on the last business day of the underlying calendar month.

651A.03 TRADING UNIT

On expiration of a call option, the value will be the difference between the final settlement price for the underlying European Jet Kerosene (Platts) Cargoes CIF NWE Calendar Swap Futures contract and the strike price multiplied by 1,000 metric tons, or zero, whichever is greater. On exercise of a put option, the value will be the difference between the strike price and the final settlement price for the underlying European Jet Kerosene (Platts) Cargoes CIF NWE Calendar Swap Futures contract multiplied by 1,000 metric tons, or zero, whichever is greater.

651A.04 HOURS OF TRADING

The European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. and 2:30 p.m. (New York prevailing time) Monday through Friday, except on Exchange Holidays.

The European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option contract is available for clearing through CME ClearPort[®] from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York prevailing time), with a 45-minute halt in submission each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays.

651A.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 the trading in an option contract month, trading shall be at the following strike prices;

(B) (i) the previous day's settlement price of the underlying European Jet Kerosene (Platts) Cargoes CIF NWE Calendar Swap Futures contract in the corresponding month rounded off to the nearest fifty cent strike price unless such settlement price is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price and (ii) the five fifty cent strike prices which are five increments higher than the strike price described in subsection (B)(i) of this Rule and (iii) the five fifty cent strike prices which are five increments lower than the strike price described in this subsection of the Rule.

(C) Thereafter, on any business day prior to the expiration of the option, new consecutive strike prices for both puts and calls will be added such that there will be five increments above and below the at-the-money option.;

(D) Notwithstanding the provisions of subsections (A) through (C) of this Rule, if the Exchange determines that trading in European Jet Kerosene (Platts) Cargoes CIF NWE 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 in 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 European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option contract in which no new strike prices may be introduced.

651A.06 TRADING MONTHS

Trading months will be determined by resolution of the Exchange.

651A.07 PRICES

Prices shall be quoted in dollars and cents per metric ton. The minimum price fluctuation shall be one cent (\$0.01) per metric ton. A cabinet trade may occur at the price of \$1.00 per contract, however, if it results in the liquidation of positions of both parties to the trade.

651A.08 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in European Jet Kerosene (Platts) Cargoes CIF NWE Average Price Option contract shall not be subject to price fluctuation limitations.