

NYMEX Crude Oil

- [Light Sweet Crude Oil \(CL\) Futures Daily Settlement Procedure](#)
 - [Normal Daily Settlement Procedure](#)
 - [Active Month](#)
 - [All Other Months](#)
 - [Final Settlement Calculation for Expiring Contract](#)
 - [Additional Details](#)
- [NYMEX Brent Crude Oil](#)
 - [Normal Daily Settlement](#)
 - [Normal Final Settlement](#)
- [NYMEX E-mini Crude Oil Futures](#)
 - [Normal Daily Settlement](#)
 - [Final Settlement Calculation for Expiring Contract](#)
 - [Additional Details](#)

Light Sweet Crude Oil (CL) Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

NYMEX Light Sweet Crude Oil (CL) futures are settled by CME Group staff based on trading activity on CME Globex during the settlement period. The settlement period is defined as: 14:28:00 to 14:30:00 ET for the Active Month and 14:28:00 to 14:30:00 ET for calendar spreads.

Active Month

The active month is the nearest of the contract months listed. The active month becomes a non-active month effective two business days prior to the spot month expiration. For example; if the spot month expires on a Friday the next listed contract will be considered the Active Month on the Wednesday prior to the spot month expiration.

Tier 1: If a trade(s) occurs on Globex between 14:28:00 and 14:30:00 ET, the active month settles to the volume-weighted average price (VWAP), rounded to the nearest tradable tick.

Tier 2: If there is no VWAP, then the last trade price is checked against the 14:30 ET bid/ask.

1. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
2. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the current bid/ask.

1. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
2. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months

All months other than the designated active month will settle per the following guidelines:

Tier 1: All months other than the designated active month will settle based upon the VWAP of accumulated calendar spread transactions between 14:28:00 - 14:30:00 ET, the calendar spread settlement period. Volume in each spread will be divided by the number of months separating leg 1 and leg 2 of the spread and will be used in conjunction with settlements from any months where a settlement price has been determined to form a VWAP in the contract month to be settled. i.e. a G9-H9 spread would be divided by 1. a F9-H9 spread would be divided by 2 and a H8-H9 spread would be divided by 12. For examples please click [here](#).

Tier 2: In the absence of relevant calendar spread trades, bid/asks in those calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract month to be settled. These implied markets will be used to derive the best possible bid and the best possible ask. Provided the implied bid/ask spread is consistent with reasonability thresholds as determined by the Global Command Center (GCC), the contract will settle within the implied bid/ask spread. Note- Efforts will be made to honor relevant resting bids and asks, but VWAP trades will take precedence.

Tier 3: In the absence of an implied bid/ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract month's settlement price.

Final Settlement Calculation for Expiring Contract

On the day of expiration, the expiring month will settle based on the VWAP of the outright CME Globex trades executed between 14:00:00 and 14:30:00 ET.

In the absence of outright or spread trades during this period, the settlement price will be the best bid or best ask in the expiring contract at 14:30:00 ET, whichever is closer to the last trade price. If there is not a bid/ask pair in the expiring contract at that time, the settlement price will be the best bid or ask implied by the bid/ask in the spread between the front (expiring) and second month contracts at 14:30:00 ET, whichever is closer to the last outright trade price in the front (expiring) contract.

Only bids and asks that remain active through expiration at 14:30:00 ET will be considered in these calculations. In the event there is insufficient activity to make the aforementioned calculations, staff may rely on earlier data or other available market information to determine an appropriate settlement price.

Additional Details

Light Sweet Crude Oil (CL) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (Chapter 200):

<http://www.cmegroup.com/rulebook/NYMEX/2/200.pdf>

NYMEX Brent Crude Oil

Normal Daily Settlement

The daily settlements for the Brent Crude Oil (BB) and the Brent Crude Oil Last Day (BZ) futures contracts are equivalent to the settlements in the corresponding ICE Brent Crude Oil futures contracts.

Normal Final Settlement

Please see the NYMEX Rulebook (Rule 692.07) for information regarding the final settlement procedure for Brent Crude Oil Penultimate Financial Futures:

<http://www.cmegroup.com/rulebook/NYMEX/6/698.pdf>

NYMEX E-mini Crude Oil Futures

Normal Daily Settlement

The settlements in the E-mini Crude Oil (QM) futures contracts are derived directly from the settlements of the regular sized Crude Oil (CL) futures contracts, rounded to the nearest tradable tick.

Settlement prices for the E-mini Crude Oil (QM) futures may differ slightly from the "true" settlement price displayed on the CME Daily Bulletin. These slight variances in settlements are the result of rounding due to differences in the minimum tick sizes between the E-mini contracts and the full-sized contracts. Additionally, the settlement price displayed on the Daily Bulletin matches that of the full-sized contracts for purposes of marking-to-market.

E-mini Crude Oil (QM) futures contracts are traded in 0.025 increments and the full-sized Light Sweet Crude Oil Futures in 0.01 increments.

Example

If the CLU3 settles 103.31, then the value of the QMU3 would settle 103.300.

Final Settlement Calculation for Expiring Contract

The final settlement price for the E-mini Crude Oil Futures contract will be equal to the Light Sweet Crude Oil Futures contract settlement for the corresponding contract month.

Additional Details

E-mini Crude Oil (QM) futures are cash settled upon expiration. For additional details, please see the NYMEX Rulebook (Chapter 401).

If you have any questions, please call the [CME Global Command Center](#).

Note: In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.