

Natural Gas User Defined Options Spreads

For the Henry Hub Natural Gas complex, customers can create and trade spreads between [American-](#) and [European-](#)style options. The minimum tick on these outrights have different Display Factors, but the same economic value (\$10.00 per minimum trading tick). Generic Combos and Covereds are supported.



The first leg of this UDS must be from the ON group. If a customer creates a UDS with LNE as the first leg, the engine will reject the UDS creation and send the message: *Error creating contract To create an ON-LNE spread, ON must be the first leg.*



Natural Gas Covered User Defined Options Spreads

For a Covered NPG instrument hedged with any of the Natural Gas Options—LNE, ON, KDB, AE7, or the U## (dailies)—the covered instrument utilizes a multiplier of 4 for the futures allocation because these options represent a 10,000 mmBtu contract size, where NPG represents a 2,500 mmBtu contract size.