Chapter 14T
Options on Black Sea Wheat Financially Settled (Platts) Futures

14T100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on Black Sea Wheat Financially Settled (Platts) futures contracts. In addition to the rules of this chapter, transactions in options on Black Sea Wheat Financially Settled (Platts) futures shall be subject to the general rules of Exchange insofar as applicable.

14T101. OPTION CHARACTERISTICS

14T101.A. Contract Months
Trading may be scheduled in such months as determined by the Exchange and the number of months open for trading at a given time shall also be determined by the Exchange.

14T101.B. Trading Unit
Each option reflects one fifty (50) metric tons Black Sea Wheat Financially Settled (Platts) futures contract with the same contract month.

14T101.C. Minimum Fluctuations
Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be $0.05 per metric ton or $2.50 per contract. However, a position may be initiated or liquidated at a premium of $1.00 per option contract.

14T101.D. Trading Hours
The hours of trading for this contract shall be determined by the Exchange.

14T101.E. Exercise Prices
Trading shall be conducted for call and put options with strike prices in integral multiples of $2.50 per metric ton. New strike prices at regularly defined intervals shall be added for trading on an as-needed basis.

14T101.F. Position Limits, Exemptions, Position Accountability and Reportable Levels
The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

14T101.G. Nature of Option
Options on Black Sea Wheat Financially Settled (Platts) futures contracts are American-Style expiry options and may be exercised by the buyer of any Exchange Business Day. An Option that is in the money and has not been exercised or liquidated prior to the expiration day shall be exercised automatically.

A Call option on the Black Sea Wheat Financially Settled (Platts) futures contract represents an option for the buyer to assume a long position in the underlying Black Sea Wheat Financially Settled (Platts) futures at the strike price.

A Put option on the Black Sea Wheat Financially Settled (Platts) futures contract represents an option for the buyer to assume a short position in the underlying Black Sea Wheat Financially Settled (Platts) futures at the strike price.

14T101.H. Termination of Trading
Trading terminates on the last trading day of the corresponding Futures contract.

14T102. CASH SETTLEMENT
For a Call option on Black Sea Wheat Financially Settled (Platts) futures contracts that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the underlying futures Final Settlement Price and the strike price multiplied by 50 metric tons, or zero which ever is greater on the day on which the option is exercised.
Where a Call Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Wheat Financially Settled (Platts) futures contract.
For a Put Option on Black Sea Wheat Financially Settled (Platts) futures contracts that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the strike price and underlying futures Final Settlement Price multiplied by 50 metric tons, or zero which ever is greater on the day on which the option is exercised.
Where a Put Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Wheat Financially Settled (Platts) futures contract.

14T103. OPTION PREMIUM FLUCTUATION LIMITS
There are no option premium limits during any day for options on Black Sea Wheat Financially Settled (Platts) futures contracts.

14T104. PAYMENT OF OPTION PREMIUM
The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.

14T105. DISCLAIMER
CBOT, ITS AFFILIATES AND S&P GLOBAL PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACTS, OR, FOR ANY OTHER USE. CBOT, ITS AFFILIATES AND S&P GLOBAL PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN, WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL CBOT, ITS AFFILIATES OR S&P GLOBAL PLATTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

“Platts” and “S&P Global Platts” are trademarks of S&P Global Inc. and have been licensed for use by CBOT. S&P Global Platts does not sponsor, endorse, sell or promote the contracts and S&P Global Platts makes no recommendations concerning the advisability of investing in the contracts.