

## Chapter 1066

### Short-Term Natural Gas Option

#### 1066100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the Henry Hub Natural Gas Futures contract. In addition to the rules of this chapter, transactions in options on Henry Hub Natural Gas Futures shall be subject to the general rules of the Exchange insofar as applicable.

#### 1066101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

##### 1066101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

##### 1066101.B. Trading Unit

A Short-Term Natural Gas put option contract traded on the Exchange represents the cash difference between the exercise price and the settlement price of the first nearby underlying Henry Hub Natural Gas futures contract multiplied by 10,000, or zero, whichever is greater. In the event that the option is expiring on the last trading day of the first nearby Henry Hub Natural Gas Futures contract, the second nearby underlying futures will be used for settlement. A Short-Term Natural Gas call option contract traded on the Exchange represents the cash difference between the settlement price of the first nearby Henry Hub Natural Gas futures contract and the exercise price multiplied by 10,000, or zero, whichever is greater. In the event that the option is expiring on the last trading day of the first nearby Henry Hub Natural Gas futures contract, the second nearby underlying futures will be used for settlement.

##### 1066101.C. Price Increments

Prices shall be quoted in dollars and cents per MMBtu. The minimum price increment will be \$0.0001 per MMBtu for transactions submitted for clearing via through CME ClearPort. The minimum price fluctuation will shall be \$0.001 per MMBtu for trades executed on CME Globex., or \$1 per contract

##### 1066101.D. 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.

##### 1066101.E. Termination of Trading

Expiration shall be in accordance with the following schedule. On the initial listing date, the Short-Term Natural Gas option will be listed with expiration four business days from the listing date. Thereafter, an additional contract will be listed for expiration four days after that business day. In the event that the expiration day of the Short-Term Natural Gas option coincides with the expiration of the associated Natural Gas option, the Short-Term Natural Gas option will not be listed. No Short-Term Natural Gas option shall be listed if its expiration coincides with an Exchange holiday.

##### 1066101.F. Type Option

The option is a European-style option.

#### 375102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

#### 375103. SPECIAL PRICE FLUCTUATION LIMITS

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.