Chapter 1205
3.5% Fuel Oil Cargoes FOB MED (Platts) Crack Spread BALMO Futures

1205100. SCOPE OF CHAPTER
The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1205101. CONTRACT SPECIFICATIONS
The Floating Price for each contract month is the balance-of-month arithmetic average of the mid-point between the high and low quotations from Platts European Marketscan for 3.5% Fuel Oil under the heading "Cargoes FOB Med Basis Italy" minus the ICE Brent Crude Oil Futures first nearby contract month, settlement price starting from the selected start date through the end of the contract month, inclusive, except as set forth below.

The settlement price of the first nearby contract month for will be used except on the last day of trading for the expiring ICE Brent Crude Oil Futures contract when the settlement price of the second nearby ICE Brent Crude Oil Futures contract will be used.

For purposes of determining the Floating Price, the Platts Fuel Oil assessment price will be converted each day to U.S. dollars and cents per barrel, rounded to the nearest cent. The conversion factor will be 6.35 barrels per metric ton.

The Floating Price is calculated using the non-common pricing convention. In calculating the spread differential, the monthly average for each component leg of the spread shall be calculated by using all trading days in the month for each component leg of the spread, followed by the calculation of the spread differential between the two averages.

1205102. TRADING SPECIFICATIONS
The number of months open for trading at a given time shall be determined by the Exchange.

1205102.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1205102.B. Trading Unit
The contract quantity shall be 1,000 barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1205102.C. Price Increments
Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be $0.001 per barrel.

1205102.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.

1205102.E. Termination of Trading
Trading shall cease on the last business day of the contract month.

1205103. FINAL SETTLEMENT
Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.
1205104.  DISCLAIMER

See NYMEX/COMEX Chapter iv. (“DISCLAIMERS”) incorporated herein by reference.