

Chapter 1225

WTI Houston (Argus) vs. WTI Trade Month Average Price Option

1225100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the WTI Houston (Argus) vs. WTI Trade Month Futures contract. In addition to the rules of this chapter, transactions in options on WTI Houston (Argus) Trade Month Futures shall be subject to the general rules of the Exchange insofar as applicable.

1225101. OPTION CHARACTERISTICS

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

1225101.A. Trading Schedule

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

1225101.B. Trading Unit

A WTI Houston (Argus) vs. WTI Trade Month Average Price Option is a cash-settled option. On expiration of a call option, the value will be the difference between settlement price of the underlying WTI Houston (Argus) vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On expiration of a put option, the difference between settlement price of the underlying WTI Houston (Argus) vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater.

1225101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.

1225101.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.

1225101.E. Termination of Trading

Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

1225101.F. Type Option

The option is a European-style option which can be exercised on the expiration day.

1225102. EXERCISE PRICES AND CHARACTERISTICS

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

1225103. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.