

Chapter 119 Palladium Option

119100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Palladium futures contracts. In addition to the rules of this chapter, transactions in options on Palladium futures shall be subject to the general rules of the Exchange insofar as applicable.

119101. OPTION CHARACTERISTICS

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

For each Palladium Option month traded on the Exchange, the underlying Palladium Futures contract month shall be the March, June, September or December Palladium Futures contract, determined as follows:

<u>Option Contract Months Listed</u>	<u>Exercise into Underlying Futures</u>
October, November, December	December
January, February, March	March
April, May, June	June
July, August, September	September

119101.A. Trading Schedule

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

119101.B. Trading Unit

A Palladium put or call option contract traded on the Exchange represents an option to assume a short or long position in the underlying futures contract traded on the Exchange.

119101.C. Price Increments

Prices shall be quoted in dollars and cents per troy ounce. The minimum price increment will be ten cents (\$0.10) per troy ounce of Palladium.

119101.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.

119101.E. Termination of Trading

A Palladium option shall expire at the close of trading on the third Wednesday of the month preceding the option contract month; provided, however, that if such day is the day immediately prior to an Exchange holiday, the expiration date shall be the preceding business day. In the event that the official Exchange holiday schedule changes subsequent to the listing of a Palladium futures option, the originally listed expiration date shall remain in effect. In the event that the originally listed expiration day is declared a holiday, expiration will move to the business day immediately prior.

119101.F. Type of Option

The option is an American-style option which can be exercised on any business day prior to and until expiration day.

119102. EXERCISE PRICES AND CHARACTERISTICS

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

119103. 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.