

Chapter 252

Singapore Fuel Oil 380cst (Platts) Brent Crack Spread (1000mt) Average Price Option

252100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all 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.

252101. OPTION CHARACTERISTICS

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

252101.A. Trading Schedule

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

252101.B. Trading Unit

A Singapore Fuel Oil 380cst (Platts) Brent Crack Spread (1000mt) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the Floating Price and the strike price, multiplied by 6,350 barrels, or zero, whichever is greater. A Singapore Fuel Oil 380cst (Platts) Brent Crack Spread (1000mt) Average Price Put Option traded on the Exchange represents the differential between the strike price and the Floating Price, multiplied by 6,350 barrels, or zero, whichever is greater.

The Floating Price is equal to the arithmetic average of the mid-point of the high and low quotations from the Platts Asia-Pacific Marketscan for HSFO 380cst (High-Sulfur Fuel Oil) under the heading "Singapore Physical Cargoes" minus the ICE Brent Crude Oil Futures first nearby contract settlement price for each business day during the contract month.

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

252101.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.

252101.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.

252101.E. Termination of Trading

Trading terminates on the last business day of the contract month.

252101.F. Type of Option

The option is a European-style option cash settled on expiration day.

252102. EXERCISE PRICES

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

252103. DISCLAIMER

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