

Chapter 560

Henry Hub Natural Gas European Financial Option

560100. SCOPE OF CHAPTER

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

560101. OPTION CHARACTERISTICS

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

560101.A. Trading Schedule

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

560101.B. Trading Unit

On expiration of a call option, the value will be the difference between the settlement price of the underlying Henry Hub Natural Gas Futures (NG) contract, and the strike price multiplied by 10,000 MMBtu, or zero, whichever is greater. On exercise of a put option, the value will be the difference between the strike price and the settlement price of the underlying Henry Hub Natural Gas Futures (NG) contract multiplied by 10,000 MMBtu, or zero, whichever is greater.

560101.C. Price Increments

Prices shall be quoted in dollars and hundredths of cents per MMBtu. A cabinet trade may occur at the price of \$.0001 per MMBtu or \$1.00, however, if it results in the liquidation of positions of both parties to the trade. The minimum price fluctuation shall be \$.0001 per MMBtu for transactions submitted through CME ClearPort. The minimum price fluctuation shall be \$.001 per MMBtu for trades executed on GLOBEX®. Trades may also occur in multiples of \$.0001 per MMBtu for Henry Hub Natural Gas European Financial Option inter-commodity spreads executed as a user-defined spread on GLOBEX® pursuant to Rule 542.F.

560101.D. 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 and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5

560101.E. 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.

560101.F. Termination of Trading

The option contract shall expire one business day prior to the underlying Henry Hub Natural Gas Futures (NG) contract.

560101.F. Type of Option

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

560102. EXERCISE PRICES

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