

Chapter 795

Japanese Power (Day-Ahead) Tokyo Base-Load Average Price Option

795100. SCOPE OF CHAPTER

This chapter is limited in application to put and call Japanese Power (Day-Ahead) Tokyo Base-Load Average Price Option on the Japanese Power (Day-Ahead) Tokyo Base-Load Futures contract. In addition to the rules of this chapter, transactions in Japanese Power (Day-Ahead) Tokyo Base-Load Average Price Option shall be subject to the general rules of the Exchange.

795101. OPTION CHARACTERISTICS

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

795101.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

795101.B. Trading Unit

A Japanese Power (Day-Ahead) Tokyo Base-Load Average Price Option is a cash settled option. On expiration of a call option, the value will be the difference between the final settlement price of the contract month of the underlying Japanese Power (Day-Ahead) Tokyo Base-Load Futures contract and the strike price multiplied by the contract quantity, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the final settlement price of the contract month of the underlying Japanese Power (Day-Ahead) Tokyo Base-Load Futures contract multiplied by contract quantity, or zero, whichever is greater. The contract quantity shall be 1 MW per hour in the contract period.

795101.C. Price Increments

Prices shall be quoted in Yen per KWh. The minimum price fluctuation shall be 0.001 Yen per KWh.

795101.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.

795101.E. Termination of Trading

Trading terminates on the last Japanese business day prior to the last day of the contract month. If such day is not an Exchange business day, trading shall terminate on the preceding Exchange business day.

795101.F. Type of Option

The option is a European-style option which can only be exercised on Expiration Day.

795102. EXERCISE PRICES

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