

Chapter 915

Daily Crude Oil Calendar Spread Option

915100. SCOPE OF CHAPTER

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

915101. OPTION CHARACTERISTICS

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

915101.A. Trading Schedule

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

915101.B. Trading Unit

The underlying spread for the one-month Daily Crude Oil Calendar Spread Option will be defined as the first nearby month Light Sweet Crude Oil futures contract less the second nearby month Light Sweet Crude Oil futures contract. The underlying spread for the two-month Daily Crude Oil Calendar Spread Option will be defined as the first nearby month Light Sweet Crude Oil futures contract less the third nearby month Light Sweet Crude Oil futures contract. A call Option represents the differential between the settlement price of the underlying spread less the strike price, or zero whichever is greater, multiplied by 1,000. A put Option represents the differential between the strike price and the settlement price of the underlying spread, or zero, whichever is greater, multiplied by 1,000. In the event that the option is expiring on the last trading day of the first nearby Light Sweet Crude Oil futures contract, the underlying spread for the one-month Daily Calendar Spread Option will be defined as the second nearby month Light Sweet Crude Oil futures contract less the third nearby month Light Sweet Crude Oil futures contract. The underlying spread for the two-month Daily Calendar Spread Option will be defined as the second nearby month Light Sweet Crude Oil futures contract less the fourth nearby month Light Sweet Crude Oil futures contract.

915101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.01 (1 cent) per barrel. However, a cabinet trade may occur at a price of \$0.001 per barrel, or \$1.00 per contract.

915101.D. Position Limits and Position Accountability

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in Crude Oil Last Day Financial futures. Each position in the contract will be calculated as a single position in the Crude Oil Last Day Financial futures contract.

In accordance with Rule 559, no person shall own or control positions in excess of 3,000 contracts net long or net short in the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

915101.E. Termination of Trading

The daily option contract shall expire at the close of business on the business day.

915101.F. Type Option

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

915102. EXERCISE PRICES

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

915103. DISCLAIMER

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