

## Chapter 927

### Coal (API 2) cif ARA (Argus/McCloskey) Option

#### 927.01. EXPIRATION

The Coal (API 2) cif ARA (Argus/McCloskey) Option expiration shall be on the last Friday of the contract month. If such Friday is a UK holiday, the contract will expire on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract will expire on the Exchange business day immediately prior. Notwithstanding the above, if New Year's Day is a Friday, the immediately preceding December contract month shall expire on the last business day of the contract month.

#### 927.02. TYPE OF OPTION

Coal (API 2) cif ARA (Argus/McCloskey) Option is a financially settled European-style option. The option cannot be exercised prior to expiration.

#### 927.03. TRADING UNIT

On the expiration of a call option, the option will be financially settled to the greater of zero or the value produced by subtracting the strike price from the Floating Price of the Coal (API 2) cif ARA (Argus/McCloskey) Futures contract for the same contract month, multiplied by 1,000 metric tons. On the expiration of a put option, the option will be financially settled to the greater of zero or the value produced by subtracting the Floating Price of the Coal (API 2) cif ARA (Argus/McCloskey) Futures contract for the same contract month from the strike price, multiplied by 1,000 metric tons.

#### 927.04. HOURS OF TRADING

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

#### 927.05. TRADING MONTHS

Trading in Coal (API 2) cif ARA (Argus/McCloskey) Option contracts shall be conducted in the months as shall be determined by the Exchange.

#### 927.06. STRIKE PRICES

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

#### 927.07. PRICES

Prices shall be quoted in dollars and cents per metric ton. The minimum price fluctuation shall be \$0.01 per metric ton. The minimum final settlement is \$0.01 per metric ton. A cabinet trade may occur at the price of \$.001 per metric ton or \$1.00, however, if it results in the liquidation of positions of both parties to the trade.

#### 927.08. ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Coal (API 2) cif ARA (Argus/McCloskey) Option shall not be subject to price fluctuation limitations.

#### 927.09. DISCLAIMER

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