

TO: Clearing Member Firms

FROM: CME Clearing

DATE: March 10, 2020

ADVISORY #: 20-087

SUBJECT: UK/Dutch Natural Gas Exercise & Assignment (E/A) Changes – 3/27/20

CME is planning to modify the Exercise and Assignment (E/A) cycle and processing deadlines for the NYMEX Dutch and UK Natural Gas options earlier effective with the April 2020 contract month which is scheduled to expire on **Friday, March 27, 2020**.

This is in accordance to the amendments to Options E/A and termination rules of trading of Four European natural gas option contracts detailed in SER 8531:

https://www.cmegroup.com/content/dam/cmegroup/notices/ser/2020/02/SER-8531_.pdf

This is also to align behavior across the industry for these products as part of a new 1400 London E/A cycle where the option instruction cutoff is enforced at 1400 London Time and the E/A results are available sometime after that

Specifically, the Exchange is amending the timing of the termination of trading and the option exercise on the respective options' expiration day. The change in exercise timing will move the option expiry timing on option expiry day from 16:15 London time (10:15 AM CST) to 13:00 London Time (7:00 AM CST)

Further, the Exchange will continue to enable automated exercise functionality to the Contracts. Market participants will continue to have the possibility to submit contrary instructions to their clearing firms. The close of the contrary instruction submission window will move from 17:30 London Time (11:30 AM CST) to 14:00 London Time (8:00 AM) to reflect the new option expiry timing. The option expiry day itself is unaffected by the aforementioned changes

3/27/2020

- 14:00 London Time/ 8:00 AM CST: Deadline for Contrary Instructions for Dutch and UK Natural Gas.

Behavioral Changes

- Allocation/Claim and Transfer activity for expiring options must be completed by the Option Instruction deadline.
- Contrary Instruction Report for expiring options will expand to include ALL top-day option instructions.
 - Positions in the expiring options can also be finalized manually in the Positions UI.

Expiring Option Exercise & Assignment Schedule

Exchange - Products	Contrary Instructions Deadline		Exercise and Assignment Processing		E&A Reports	
	Current Time	Proposed Time	Current Time	Proposed Time	Current Time	Proposed Time
NYMEX – Dutch Gas and UK Gas Options	17:30 LON	14:00 LON	17:30 LON	15:30 LON	18:30 LON	16:30 LON

For more information please contact CME Clearing at ccs@cmegroup.com or via phone at Chicago (312) 207 2525 | London (44) 203 379 3198 | Singapore (65) 6593 5591