

Chapter 204D

USD Malaysian Crude Palm Oil Average Price Option

204D00. SCOPE OF CHAPTER

This chapter is limited in application to USD Malaysian Crude Palm Oil Average Price Option. In addition to this chapter, the contract shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

204D01. OPTIONS CHARACTERISTICS

204D01.A. Trading Unit

The unit of trade shall be 25 metric tons.

204D01.B. Hours

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

204D01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of USD \$0.10 per metric ton which shall equal USD \$2.50 per contract. Contracts shall not be made on any other price basis.

204D01.D. Price Limits

Malaysian Palm Oil Average Price Option is not subject to any price limits.

204D01.E. Trading Schedule

The number of months in which trading may occur shall be at the discretion of the Exchange.

204D01.F. Exercise Style

The contract is cash settled European-style option. The option cannot be exercised prior to expiration.

204D01.G. Exercise Prices

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

204D01.H. 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.

204D01.I. Last Trading Day

The last trading day is the same as the final settlement day (as described in Rule 204D05.).

204D01.J. Liquidation during the Delivery Month

After trade in the contract in the current delivery month has ceased, in accordance with Rule 204D01.I., outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 204D02.

204D02. CASH SETTLEMENT

Final settlement under these rules shall be on the final settlement day (as described in Rule 204D05.) and shall be accomplished by cash settlement. Clearing members holding open positions in the contract at the time of termination of trade shall make payment to and receive payment through the Clearing House in accordance with normal settlement procedures based on a settlement price against the underlying average price (as described in Rule 204D03.).

204D03. FINAL SETTLEMENT PRICE

The final settlement price shall be determined on the final settlement day. The final settlement price shall be determined against the cumulative average of the settlement prices for the third forward month FCPO contract traded on the Bursa Malaysia for each trading day in the contract month converted to USD and rounded to the nearest \$0.25.

For example, final settlement for a January month of the contract would be determined against the cumulative average of the daily settlement prices for the third forward FCPO contract during the month of January, which in this example will comprise half of the March contract and half of the April contract, with the month roll determined by Bursa Malaysia listing and expiration cycle. These daily settlement prices are converted to USD and rounded to the nearest \$0.25.

Settlement prices shall be generated each CME business day using the most recent available Bursa Malaysia prices. However, any settlement prices generated on CME business days that is not also a Bursa Malaysia business day will not be counted toward final settlement. Additionally, there will be no daily settlement prices generated on non-CME business days that are Bursa Malaysia business day, but the Bursa Malaysia settlement prices generated on such days will count toward final settlement during the last month of trade.

204D04. FINAL SETTLEMENT DAY

The final settlement day for the contract shall be the last business day of the contract month. However, should there be a Bursa Malaysia business day during the contract month that follows the last CME business day of the contract month, then final settlement will be on the first CME business day of the month following the contract month.

204D05. DAILY SETTLEMENT PRICE

Daily settlement prices shall be determined by the Exchange based on broker quotes.

204D06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.

204D07. DISCLAIMER

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