

Chapter 644

Iron Ore CFR China (Platts) Average Price Option

644100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Iron Ore CFR China (Platts) futures contract. In addition to the rules of this chapter, transactions in options on Iron Ore CFR China (Platts) futures shall be subject to the general rules of the Exchange insofar as applicable.

644101. OPTION CHARACTERISTICS

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

644101.A. Trading Schedule

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

644101.B. Trading Unit

An Iron Ore CFR China (Platts) 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 Iron Ore CFR China (Platts) Futures contract and the strike price multiplied by 500 tons, 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 Iron Ore CFR China (Platts) Futures contract multiplied by 500 tons, or zero, whichever is greater.

644101.C. Price Increments

Prices shall be quoted in dollars and cents per dry metric ton. The minimum price increment will be \$0.01.

644101.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.

644101.E. Termination of Trading

An Iron Ore CFR China (Platts) Average Price Option shall expire on the last business day of the contract month. If the last business day of the contract month is a Singapore banking holiday, the last trade date shall be the business day immediately preceding the holiday.

644101.F. Type of Option

An Iron Ore CFR China (Platts) Average Price Option is a European-style average price option cash settled on expiration day.

644101.G. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

644102. EXERCISE PRICES

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

644103. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#)