

Chapter 23A Hourly Event Contracts

23A00. SCOPE OF CHAPTER

Hourly Event Contracts are cash-settled, European style, premium style, options on futures contracts that expire on specified dates as determined by the Exchange, as set forth in the Strike Price Listing and Exercise Procedures Table.

Each Hourly Event Contract shall expire on the Expiration Date and Expiration to the Principal Contract Month of the Underlying Futures as calculated by the Exchange at a time determined by the Exchange.

An Hourly Event Contract gives the right to receive a fixed Settlement Value per Contract on the Settlement Date.

The following Rules set forth the terms of Hourly Event Contracts. In addition to the Rules of this chapter, Hourly Event Contracts shall be subject to the general rules of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Eastern time.

23A01. DEFINITIONS

“Call Contract” pays the corresponding Settlement Value if at Expiration the Settlement Price is strictly above the strike price.

“Expiration” means the time on the Expiration Date established by these Rules at which an Hourly Event Contract expires, and the Settlement Value of that Hourly Event Contract is determined.

“Expiration Date” means the Business Day established by these Rules on which the Settlement Value of each Hourly Event Contract is determined.

“Principal Contract Month” means the expiration month of the Underlying Futures, as identified by the Exchange, to which the Hourly Event Contract will base its settlement on, as set forth in the Strike Price Listing and Exercise Procedures Table.

“Put Contract” pays the corresponding Settlement Value if at Expiration Settlement Price is equal to or less than the strike price.

“Settlement Value” is the amount paid to the holder of the in the-money Hourly Event Contract at Expiration.

“Strike Price” is the Exchange established price level to determine if the Hourly Event Contract will be above or below at Expiration Date to ascertain the Settlement Value.

“Underlying Futures” means the underlying futures contract upon which the Hourly Event Contract is based.

“Settlement Price” refers to the Volume Weighted Average Price (VWAP) of the corresponding Underlying Futures contract during the one-minute period immediately prior to the Contract's Expiration.

23A02. HOURLY EVENT CONTRACTS CHARACTERISTICS

23A02.A. Trading Schedule

Hourly Event Contracts shall be listed for Expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange.

23A02.B. Trading Unit

Prices shall be quoted in U.S. dollars and cents per Hourly Event Contract.

23A02.C. Price Increments

Hourly Event Contracts shall be quoted with a price range from zero (0) to one (1) equal to \$0.00 - \$1.00.

The minimum price increment for each Hourly Event Contract shall be 0.01 equal to \$0.01

23A02.D. Strike Price Listing Schedule

On any Business Day, and subject to Rule 23A02.A., the Exchange shall list for trading all Put and Call Hourly Event Contracts at such strike intervals and such range of strike prices as set forth in the Strike Price Listing and Exercise Procedures Table.

Additional strikes may be listed for trading, and strikes scheduled to be listed for trading may be suspended at the sole discretion of the Exchange

23A02.E. Termination of Trading

Trading shall terminate at the Contract's Expiration, on the Expiration Date that the Hourly Event Contract was listed for.

23A02.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and accountability 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.

23A02.G. Settlement Value

The Settlement Value of each Hourly Event Contract shall be determined by the Settlement Price of the Principal Contract Month of the Underlying Futures at Expiration.

- (a) For a Call Contract, if the Settlement Price is strictly above the strike price, the Hourly Event Contract shall be deemed to have expired in-the-money, with a Settlement Value of \$1.00; conversely, if that day's Settlement Price is equal to, or below the strike price, the Hourly Event Contract shall be deemed to have expired out-of-the-money, with a Settlement Value of \$0.00.
- (b) For a Put Contract, if the Settlement Price is equal to, or below the strike price, the Hourly Event Contract shall be deemed to have expired in-the-money, with a Settlement Value of \$1.00; conversely, if that day's Settlement Price is above the strike price, the Hourly Event Contract shall be deemed to have expired out-of-the-money, with a Settlement Value of \$0.00.

23A02.H. Final Settlement

Following the determination of the Final Settlement Value (Rule 23A02.G.), the Clearing House shall effectuate the Final Settlement in accordance with normal settlement variation procedures.

23A03. TRADING HALTS AND CONTINGENCIES

23A03.A. Market Disruption Events

In the event of a market disruption in the Underlying Futures, upon which any Hourly Event Contract is based, all executed Hourly Event Contracts shall settle on their originally listed Expiration Date, to a Settlement Value determined by the Exchange as the Settlement Price of the Principal Contract Month of the Underlying Futures at Expiration.

The Final Settlement of an expiring Hourly Event Contract shall not be deferred except as provided in Rule 23A03.D.

23A03.B. Special Price Fluctuation Limits

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

23A03.C. Discretion to Refrain from Listing Contracts

The Exchange may, in its discretion, temporarily refrain from the listing of any Hourly Event Contract due to the unavailability of the Underlying Futures upon which the Hourly Event Contract is based, or any other condition the Exchange determines may be detrimental to the listing of the Hourly Event Contract.

23A03.D. Settlement Contingencies

In the event the Exchange is unable to establish a reliable settlement price for the Underlying Futures upon which any Hourly Event Contract is based, or no daily settlement price is determined by the Exchange, final settlement shall be deferred until such time a daily settlement price for the Underlying Futures is determined. Notwithstanding the delay, trading in the Hourly Event Contract shall cease at the originally determined Expiration.

23A04. EVENT CONTRACTS AND RELATED UNDERLYING FUTURES CONTRACTS

Event Contract Title	Underlying Futures Contract	Underlying Futures Contract Rulebook Chapter
Event Contracts on Light Sweet Crude Oil Futures 10:00 A.M. ET	Light Sweet Crude Oil Futures	NYMEX 200
Event Contracts on Light Sweet Crude Oil Futures 11:00 A.M. ET		
Event Contracts on Light Sweet Crude Oil Futures 1:00 P.M. ET		
Event Contracts on Light Sweet Crude Oil Futures 3:00 P.M. ET		
Event Contracts on Light Sweet Crude Oil Futures 4:00 P.M. ET		
Event Contracts on Natural Gas Futures 10:00 A.M. ET	Henry Hub Natural Gas Futures	NYMEX 220
Event Contracts on Natural Gas Futures 11:00 A.M. ET		
Event Contracts on Natural Gas Futures 1:00 P.M. ET		
Event Contracts on Natural Gas Futures 3:00 P.M. ET		
Event Contracts on Natural Gas Futures 4:00 P.M. ET		