# Chapter 1165
# Dutch TTF Natural Gas Calendar Spread Option

## 1165100. SCOPE OF CHAPTER

This chapter is limited in application to the Dutch TTF Natural Gas Calendar Spread Option (1, 2, 3, 4, 5, 6, and 12 month) on the Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month Futures contract. In addition to the rules of this chapter, transactions in the Dutch TTF Natural Gas Calendar Spread Option contract shall be subject to the general rules of the Exchange insofar as applicable.

## 1165101. OPTIONS CHARACTERISTICS

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

**1165101.A. Trading Schedule**

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

**1165101.B. Trading Units**

A Put Option contract represents the cash difference between the strike price and the reference price of the first expiring Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month Futures contract in the spread less the reference price of the second expiring Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month futures contract in the spread multiplied with the contract size of the second expiring contract, or zero, whichever is greater.

$$\boldsymbol{payoff\ of\ CSOput = max((strike - (refpricefirst\_ctr - refpricesecond\_ctr)) * MWhsecond\_ctr, 0)}$$

A Call Option contract represents the cash difference between the reference price of the first expiring Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month Futures contract in the spread less the reference price of the second expiring Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month futures contract in the spread less the strike price multiplied with the contract size of the second expiring contract, or zero, whichever is greater.

$$\boldsymbol{payoff\ of\ CSOcall = max(((refpricefirst\_ctr - refpricesecond\_ctr) - strike) * MWhsecond\_ctr, 0)}$$

For the first expiring contract, the reference price shall be equal to the final settlement price of the corresponding expiring Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month Futures contract. For the second expiring contract, the reference price shall be calculated based on market activity during the intraday settlement window of the corresponding ICE Endex Dutch TTF Natural Gas Futures contract as determined by the Exchange.

**1165101.C. Price Increments**

Prices shall be quoted in Euros per MWh. The minimum price fluctuation shall be €0.005 per MWh on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. There shall be no maximum price fluctuation. The minimum final settlement price fluctuation shall be €0.001 per MW

**1165101.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.

**1165101.E. Termination of Trading**

Trading terminates on the last day of trading of the underlying Dutch TTF Natural Gas (Early Expiry) Financial Calendar Month Futures contract. On the last trading day, trading shall terminate at 13:00 hours London prevailing time.

**1165101.F. Type Option**

The option is a European-style option cash settled on expiration day.

**1165101.G. Settlement Variation and Option Value**

This contract is a future-style margin option. Settlement variation rules for futures-style margin options conform to those set forth for non-options stipulated in NYMEX Rule 814. As such, when a clearing member or its customers is long or short any amount of any commodity for a settlement cycle, as indicated by Clearing House records, settlement for any outstanding exposure shall be made with the Clearing House based on the settlement price for that settlement cycle. For futures-style margin options, each clearing member and its customers shall pay to, or collect from, the Clearing House any loss or profit, as the case may be, represented by the difference between (x) the settlement price of the futures-style margin option for such settlement cycle and (y) the settlement price of the futures-style margin option for the prior settlement cycle (or, for the first settlement cycle after the purchase/sale of such option, the price at which the option was purchased or sold).

**1165102. EXERCISE PRICES AND CHARACTERISTICS**

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