

Chapter 681

LPG Freight Route Middle East to Japan (BLPG1) (Baltic) Average Price Option

681100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

681101. OPTION CHARACTERISTICS

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

681102.A. Trading Schedule

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

681102.B. Trading Unit

An LPG Freight Route Middle East to Japan (BLPG1) (Baltic) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the Floating Price and the Strike price or zero, whichever is greater.

An LPG Freight Route Middle East to Japan (BLPG1) (Baltic) Average Price Put Option traded on the Exchange represents the differential between the strike price and the final settlement price of the Floating Price or zero, whichever is greater. The contract quantity shall be 1,000 metric tons.

Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price. The Floating Price for each contract month is equal to the arithmetic average of the rates for each business day that the BLPG1 Route (for 44,000 metric tons Ras Tanura to Chiba) is published by the Baltic Exchange during the contract settlement period, as described in paragraph 681102.C. of these rules.

681102.C. Settlement Period

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

681102.D. Price Increments

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.001 per metric ton.

681102.E. 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.

681102.F. Termination of Trading

For each contract month, trading terminates on the last day of the Settlement Period on which the Index is published by the Baltic Exchange (usually a Tuesday or a Friday). If this is not a Business Day, then trading shall terminate on the preceding Business Day.

681102.F. Type of Option

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

681102. EXERCISE PRICES

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

681103. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.