EU-Style Brent Options

Contract Specifications

Description	The EU-Style Brent Option is based on the underlying ICE Brent Bullet Future (BNB) and will automatically exercise into the settlement price of the Bullet Future on the day of expiry of the options contract.
Contract Symbol	BUL
Hedge Instrument	The delta hedge for the EU-Style Brent Option is the ICE Brent Bullet Future (BNB)
Contract Size	1,000 barrels
Unit of Trading	Any multiple of 1,000 barrels
Currency	US Dollars and cents
Trading Price Quotation	One cent ($0.01) per barrel
Settlement Price Quotation	One tenth of one cent ($0.001) per barrel
Minimum Price Fluctuation	One tenth of one cent ($0.001) per barrel
Last Trading Day	Trading shall end three Business Days before the scheduled cessation of trading for the relevant contract month of the ICE Brent Crude Futures contract. If the day on which trading in the relevant EU-Style Brent Option is due to cease would be either: (i) the Business Day preceding Christmas Day, (ii) the Business Day preceding New Year's Day, or (iii) the US Thanksgiving Day, then trading shall cease on the next preceding Business Day.

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Option Style	Options are European-style and will be automatically exercised on the expiry day if they are “in the money”. The future resulting from exercise immediately goes to cash settlement relieving market participants of the need to concern themselves with liquidation or exercise issues. If an option is “out of the money” it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
Expiry	19:30 London Time (14:30 EST) Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or more “in the money” with reference to the relevant reference price. Members cannot override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in USD and cents per barrel equal to the daily settlement price of the ICE Brent Bullet Future (BNB) for the contract month on the Last Trading Day. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro rata basis.
Option Premium / Daily Margin	EU-Style Brent Options are premium-paid-upfront options. The traded premium will therefore be debited by the Clearing House from the Buyer and credited to the Seller on the morning of the Business Day following the day of trade. Members who are long premium-paid-upfront options will receive a Net Liquidating Value (NLV) credit to the value of the premium which is then used to offset the initial margin requirement flowing from both these options and positions in other energy contracts. Members who are short premium-paid-upfront options will receive an NLV debit in addition to their initial margin requirement. NLV is calculated daily with reference to the settlement price of the option.
Strike Price Intervals	A minimum of 10 Strike Prices in increments of $0.50 per barrel above and below the at-the-money strike. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.01 increments.
Contract Series	Up to 36 consecutive months, or as otherwise determined by the Exchange
Final Payment Date	Two Clearing House Business Days following the Last Trading Day.
Business Days	Publication days for ICE