Low Sulphur Gasoil 1-Month Calendar Spread Options

Contract Specifications

Description	A Low Sulphur Gasoil 1-Month Calendar Spread Option
Contract Symbol	UUM
Hedge Instrument	The delta hedge for the Low Sulphur Gasoil 1-Month CSO is the ICE Low Sulphur Gasoil Futures Spread (ULS).
Contract Size	100 metric tonnes
Unit of Trading	Any multiple of 100 metric tonnes. For Call options, the value of the calendar spread less the strike price. An in-the-money call at expiration will result in a swap future that equals the net value of a position that is long in the first underlying ICE Low Sulphur Gasoil Futures contract month and short in the ICE Low Sulphur Gasoil Futures contract month 1 month following the first underlying. For Put options, the strike price less the value of the calendar spread. An in-the-money put at expiration will result in a swap future that equals the net value of a position that is short in the first underlying ICE Low Sulphur Gasoil Futures contract month and long in the ICE Low Sulphur Gasoil Futures contract month 1 month following the first underlying.
Currency	US Dollars and cents
Trading Price Quotation	One cent ($0.01) per metric tonne
Settlement Price Quotation	One tenth of one cent ($0.001) per metric tonne
Minimum Price Fluctuation	One tenth of one cent ($0.001) per metric tonne

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Last Trading Day	Close of business on the Penultimate Trading Day of the underlying ICE Low Sulphur Gasoil Futures contract. In this case the close of business refers to the settlement time of the Low Sulphur Gasoil Futures at 16:30 London time.
Option Style	Options are European style and will be automatically exercised on the expiry day if they are "in the money". The swap 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	16:30 London Time (11:30 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 metric tonne equal to the difference of the nearby ICE Low Sulphur Gasoil Futures contract and the next consecutive contract month of the ICE Low Sulphur Gasoil Futures contract series. For these purposes 'settlement price' means the last day of the ICE Low Sulphur Gasoil Futures contract month. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro-rata basis.
Option Premium / Daily Margin	Calendar Spread Options are equity-style and there is no daily Variation Margin payment. The premium on the Calendar Spread Option is paid/received on the business day following the day of trade. Net Liquidating Value (NLV) will be re-calculated each business day based on the relevant daily settlement prices. For buyers of options the NLV credit will be used to off-set their Original Margin (OM) requirement; for sellers of options, the NLV debit must be covered by cash or collateral in the same manner as OM requirement. OM for all options contracts is based on the ICE® Risk Model
Strike Price Intervals	Standard $1.00 strikes from 20 strikes above and below the at-the-money. Additional strikes added as appropriate. The at-the-money strike price is the closest interval nearest to the previous business day’s settlement price of the corresponding underlying 1-month calendar spread contract.
Contract Series	Up to 36 consecutive 1-month calendar spreads
Final Payment Date	Two Clearing House Business Days following the Last Trading Day.
Business Days	Publication days for ICE