Low Sulphur Gasoil, American-Style Options

Contract Specifications

Description	The ICE Low Sulphur Gasoil Options Contract is based on the underlying futures contract and if exercised will result in a corresponding futures position. Contracts are for American-style exercise, allowing the buyer to exercise an option anytime up to and including expiry day.
Hedge Instrument	The delta hedge for the American-Style Option is the Low Sulphur Gasoil Future (G).
Contract Symbol	G
Contract Size	100 metric tonnes
Unit of Trading	One or more lots of 100 metric tonnes of low sulphur gasoil (10ppm diesel).
Currency	US Dollars and cents
Trading Price Quotation	Five cents ($0.05) per metric tonne
Settlement Price Quotation	Five cents ($0.05) per metric tonne
Minimum Price Fluctuation	Five cents ($0.05) per metric tonne
Last Trading Day	Trading shall cease at the end of the designated settlement period of ICE Low Sulphur Gasoil Futures on the fifth Business Day prior to cessation of trading in the underlying ICE Low Sulphur Gasoil Futures contract.

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Option Premium / Daily Margin	Due to futures style margining option premiums are not paid/received at the time of the transaction. Rather margins are paid /received every day according to the changing value of the option and the total value to be paid/received is only known when the position is closed (by an opposing sale/purchase, exercise or expiry). The buyer never pays more margin than the cost of the premium. All open contracts are marked-to-market daily.
Exercise Procedure	ICE Low Sulphur Gasoil Options can be exercised into ICE Low Sulphur Gasoil Futures contracts. ICE Futures Europe options contracts are of American-style exercise, allowing the buyer to exercise call and/or put options up to 17:00 (London time) hours on any Business Day (except on expiry day) during the life of the contracts, by giving an exercise notice to ICE Clear Europe in respect of such options. On expiry day the buyer has up to one hour after the end of the designated settlement period of the ICE Low Sulphur Gasoil Futures contract to exercise the options. At that time ICE Clear Europe will automatically exercise all options that are in-the-money on behalf of the Member unless instructed otherwise by the Member.
Contract Series	Up to 96 consecutive months
Strike Price Increments	At launch, multiples of $0.25 per metric tonne ranging from a strike of $200 to a strike of $1750. Additional strike prices are added according to futures price movements. The at-the-money strike price is the closest interval nearest to the previous business day's settlement price of the underlying contract.
Position Reporting	All positions are converted to futures equivalents by way of deltas and are aggregated with the futures position for daily position monitoring by the Exchange. The Exchange's daily position management regime requires that all positions in any contract month must be reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take any steps necessary to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate. During the final month of trading in a contract, the Exchange contacts holders of Low Sulphur Gasoil positions to confirm their intent and capability of making or taking delivery and may require that positions be reduced to limit position concentration, ensure price convergence with the physical market, and maintain market integrity.

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Contract Security	ICE Clear Europe acts as the central counterparty for trades conducted on ICE Futures Europe and ICE OTC. This enables it to guarantee the financial performance of every contract registered with it by its members (the clearing members of the Exchange) up to and including delivery, exercise and/or settlement. ICE Clear Europe is able to provide margin offsets between the options and the underlying futures contract as well against options positions executed in other option styles.
Business Days	ICE Business Days