# Heating Oil/Brent Crack Spread

## Contract Specifications

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| Description | The ICE Heating Oil/Brent Crack Spread allows you to trade the spread between the ICE Heating Oil Futures and ICE Brent Futures. Trading a position in the crack spread results in two separate positions in the underlying futures legs i.e. a long position in ICE Heating Oil Futures and a short position in ICE Brent Futures. All positions are financially settled and appeal to both physical and financial traders.<br><br>Crack Spreads between ICE Brent Futures and ICE Heating Oil Futures defer their dates and terms to the applicable expiry dates of the contracts referenced by the leg markets |
| Trading Hours | **GMT Hours*** - Open: 01:00 (23:00 on Sundays), Close: 23:00.<br>**EST Hours*** - Open: 20:00 (18:00 on Sundays), Close: 18:00 the following day.<br>**CST Hours*** – Open: 19:00 (17:00 on Sundays), Close: 17:00 the following day.<br>**Singapore Hours**– Open: 09:00 (07:00 on Mondays), Close: 07:00 the following day.<br><br>***An Exchange Circular will be issued in advance of the UK switch from GMT to BST and a further US switch to and from DST to confirm the altered market opening and closing times** |
| Contract Size | 1,000 barrels (42,000 gallons) |
| Quotation | The contract price is in US Dollars and cents per barrel |
| Trading Price Quotation | One cent ($0.01) per barrel |
| Settlement Price Quotation | One cent ($0.01) per barrel |

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| Minimum Price Fluctuation | One cent ($0.01) per barrel |
| Maximum Price Fluctuation | There are no limits |
| Clearing | The Clearing House guarantees financial performance of all ICE Futures contracts registered with it by its clearing members. All ICE Futures Member companies are either members of the Clearing House or have a clearing agreement with a Member who is a member of the Clearing House |
| Contract Series | 44 consecutive months |
| Position Limits | The Exchange may impose position accountability levels or limits on positions in this contract at its discretion as provided in Rules P4 and P3 respectively.<br><br>Current position accountability levels: In any one month: 5,000 net futures. All months: 7,000 net futures.<br><br>Current position limits: 1,000 lots during the last 3 trading days of the expiring month.<br><br>Exemptions from position limits may be granted at Exchange discretion for bona fide hedge positions |

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| Last Trading Day | The last trading day for the Heating Oil/Brent Crack Spread is determined by when the expiry date is for Brent Crude Futures.<br><br>For ICE Brent Crude Futures:<br><br>**Contract Months up to and including February 2016:**<br><br>Trading shall cease at the end of the designated settlement period on the Business Day (a trading day which is not a public holiday in England and Wales) immediately preceding either:<br><br>(i) the 15th calendar day before the first calendar day of the contract month, if such 15th calendar day is a Business Day; or,<br><br>(ii) if such 15th calendar day is not a Business Day, the next preceding Business Day.<br><br>**Contract Months from March 2016:**<br><br>Trading shall cease at the end of the designated settlement period on the last Business Day of the second month preceding the relevant contract month (e.g. the March contract month will expire on the last Business Day of January).<br><br>If the day on which trading is due to cease would be either: (i) the Business Day preceding Christmas Day, or (ii) the Business Day preceding New Year's Day, then trading shall cease on the next preceding Business Day<br><br>Heating Oil Futures expiry: Trading shall cease at the end of the designated settlement period on the penultimate US business day of the month preceding the delivery month where a US business day is a day on which NYMEX is opened for business |

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| Settlement | Trading the ICE Heating Oil/Brent Crack Spread will result in two separate positions in the underlying futures markets for ICE Brent and ICE Heating Oil. The settlement of each leg will be the respective settlement prices for both the ICE Brent and ICE Heating Oil Futures contracts as made public by ICE Futures Europe. Upon expiry of the ICE Brent Futures leg, holders of the Heating Oil crack trade will then be left with a long or short position in the Heating Oil market which will be settled on expiry of the relevant underlying Heating Oil Futures contract.<br><br>ICE Heating Oil Futures settlement: The contract is cash settled against the prevailing market price for Heating Oil in New York Harbor.<br><br>The cash settlement price in US Dollars and cents per Gallon is equal to the penultimate settlement price for New York Harbor ULSD Heating Oil Futures Contract as made public by NYMEX for the month of production as specified within the relevant Contract Rules by reference to the 2005 ISDA Commodity Definitions.<br><br>ICE Brent Futures settlement: The Brent Crude Future is a cash-settled contract. The ICE Brent Crude Futures contract is a deliverable contract based on EFP delivery with an option to cash settle, i.e the ICE Brent Index price for the day following the last trading day of the futures contract<br><br>The ICE Brent Crude futures contract is a deliverable contract based on EFP delivery with an option to cash settle against the ICE Brent Index price for the last trading day of the futures contract. The Exchange shall publish a cash settlement price (the ICE Brent Index price) on the next trading day following the last trading day for the contract month. |
| Final Payment Date | One Business Day following the Last Trading Day. |
| Business Days | ICE Business Days |