Crude Diff - Daily Brent 1- Month Calendar Spread Options

Contract Specifications

Description	The Daily Brent Crude Oil 1-Month Calendar Spread Option is based on the difference between two consecutive ICE Brent Crude Futures Months.
Contract Symbol	DBO
Hedge Instrument	The delta hedge for the Daily Brent 1-Month Calendar Spread Option is the ICE Brent Crude Future.
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	The contract expires at 14:30 EST of the business day equal to the contract period.

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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 difference between the settlement price of the nearby ICE Brent Crude Futures contract and the settlement price of the next consecutive contract month of the ICE Brent Crude Futures contract series on the Last Trading Day. For these purposes “settlement price” means the official settlement value of the ICE Brent Crude Futures contract month for the active day of the option. All “in the money” options will be exercised into an equivalent cash value of the underlying calendar spread.
Roll Adjust Provision	In order to use the most liquid calendar spread, the underlying spread will be defined as the front month minus the second month in ICE Brent Futures, except for the expiration date of the ICE Brent Futures delivery month. On such a date, the underlying calendar spread will be rolled into the difference of the second and third months. In the event the listed option is set to expire on ICE Brent Futures expiration, the underlying spread will be referred to as the second month minus the third month, until the front month is fully expired
Strike Price Intervals	A minimum of 10 Strike Prices in increments of $0.05 per bbl above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in $0.01 increments.
Contract Series	Up to 6 consecutive business days
Final Payment Date	Two Clearing House Business Days following the Last Trading Day
Business Days	Publication days for ICE