



# Gasoil Outright - Low Sulphur Gasoil Average Price Balmo Options

## Contract Specifications

Description	The Low Sulphur Gasoil Average Price Balmo Option is based on the underlying Low Sulphur Gasoil 1st Line Balmo Future (ULV) and will automatically exercise into the settlement price of the 1st Line Future on the day of expiry of the options contract.
Contract Symbol	ULV
Hedge Instrument	The delta hedge for the Low Sulphur Gasoil Average Price Balmo Option is the Low Sulphur Gasoil 1st Line Balmo Future (ULV)
Contract Size	100 Metric Tonnes
Unit of Trading	Any multiple of 100 Metric Tonnes
Currency	US Dollars and Cents
Trading Price	One cent (\$0.01) per Metric Tonne
Settlement Price	One tenth of a cent (\$0.001) per Metric Tonne
Minimum Price Fluctuation	One tenth of a cent (\$0.001) per Metric Tonne
Last Trading Day	Last Trading Day of the contract month.

# Contract Specifications

Option Style	Options are Asian-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 than the Last Trading Day. No manual exercise is permitted.
Option Premium / Daily Margin	The premium on the Low Sulphur Gasoil Average Price Balmo 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 option’s delta.
Expiry	<p>19:30 London Time</p> <p>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.</p> <p>The reference price will be a price in USD and cents per metric tonne equal to the final settlement price as made public by ICE for the Low Sulphur Gasoil 1st Line Balmo Future for the contract month. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro-rata basis.</p>
Strike Price Intervals	A minimum of 10 Strike Prices in increments of \$10.00 per mt 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 \$0.25 increments.
Contract Series	Up to 2 consecutive calendar months
Final Payment Date	One Business Day following the Last Trading Day
Business Days	Publication days for ICE