Naphtha Crack - Naphtha CIF NWE Cargoes vs Brent 1st Line Options

Contract Specifications

Description	The Naphtha CIF NWE Cargoes vs Brent 1st Line Average Price Option is based on the underlying Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Future (NOB) and will automatically exercise into the Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Future (NOB) on the day of expiry of the options contract
Contract Symbol	NOB
Hedge Instrument	The delta hedge for the Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Average Price Option is the Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Future (NOB)
Contract Size	1,000 metric tonnes (8,900 bbls)
Unit of Trading	Any multiple of 1,000 metric tonnes
Currency	US Dollars and cents
Trading Price Quotation	One cent ($0.01) per barrel
Settlement Price	One tenth of one cent ($0.001) per barrel
Minimum Price Fluctuation	One tenth of one cent ($0.001) per barrel
Last Trading Day	Last Trading Day of the contract month

Contract Specifications

Option Style	Options are average priced and will be automatically exercised into the Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Future 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 than the Last Trading Day. No manual exercise is permitted
Option Premium / Daily Margin	The Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line Average Price Option is a premium-paid-upfront option. The traded premium will therefore be debited by the Clearing House from the Buyer and credited to the Seller on the morning of the Business Day following the day of trade. Members who are long premium-paid-upfront options will receive a Net Liquidating Value (NLV) credit to the value of the premium which is then used to offset the initial margin requirement flowing from both these options and positions in other energy contracts. Members who are short premium-paid-upfront options will receive an NLV debit in addition to their initial margin requirement. NLV is calculated daily with reference to the settlement price of the option
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 barrel equal to the average of the settlement prices of the Naphtha CIF NWE Cargoes (Platts) vs Brent 1st Line 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. conversion factor: 1 metric tonne = 8.90 barrels
Strike Price Intervals	This contract will support Custom Option Strikes with strikes in increments of $0.01 within a range of -$10 to $25. This range may be revised from time to time according to future 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
Roll Adjust Provision	In order to use the correct Floating Price quotations, the nearby month quotation for ICE Brent Futures specified in the Floating Price terms above will be used except for the expiration date of the commodity's underlying delivery month's futures contract. On such date, the applicable pricing quotation will be rolled to the following month's futures contract.
Contract Series	Up to 48 consecutive months

Contract Specifications

Final Payment Date	Two Clearing House Business Days following the Last Trading Day
Business Days	Publication days for Platts European Marketscan and ICE