Crude Outright - Argus WTI Houston Average Price Options

Contract Specifications

Description	The Argus WTI Houston Average Price Option is based on the underlying Argus WTI Houston Future and will automatically exercise into the Argus WTI Houston Future on the day of expiry of the options contract.
Contract Symbol	AFW
Hedge Instrument	The delta hedge for the Argus WTI Houston Average Price Option is the Argus WTI Houston 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	Last Trading Day of the contract month

Contract Specifications

Option Style	Options are average priced and will be automatically exercised into the Argus WTI Houston 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 Argus WTI Houston 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	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 average of the settlement prices of the Argus WTI Houston 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
Strike Price Intervals	Minimum $0.50 increment strike prices. $1.00 Strikes from $20 to $240. $0.50 strikes 20 strikes above and below ATM. The “at the money” strike price is the closes interval nearest to the previous business day’s settlement price of the underlying contract.
Contract Series	Up to 60 consecutive months
Final Payment Date	Two Clearing House Business Days following the Last Trading Day
Business Days	Publication days for Argus Crude