London Cocoa 2-Month Calendar Spread Option

Contract Specifications

Description	Calendar Spread options on London Cocoa Futures contracts in 1-month and 2-month spread increments.
Contract Symbol	C2 (two-month series) Determining the two futures contracts in a CSO pair requires knowing both the underlying futures contract and the length of the spread. For London Cocoa CSOs, the contract code is C and the number character indicates the length of the spread. For example, Contract Symbol “C1”, the “1” indicates that the second month in the spread pair is ONE contract delivery month forward from the front month of the pair. If the month symbol is Z19 (December 2019), the Contract Symbol “C1” implies that the second month in the pair is H20 (March 2020) – one contract delivery month forward from the Z19. Likewise, Contract Symbol “C2”, would imply that the second month in the pair is K20 (May 2020) – two contract delivery months forward from the Z19.
Contract Size	A spread position between the two London Cocoa Futures contracts
Price Quotation	£ per tonne
Contract Series	March, May, July, September, December. 2-month series: Each of the first eight listed futures months paired with the second month forward from that month.
Minimum Price Fluctuation	£1 per tonne (£10)
Daily Price Limit	None

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Exercise Procedure	American Style
Strike Price Intervals	5-tick intervals (£5 per tonne)
Last Trading Day	Each CSO contract ceases trading at 12pm on the last trading day of the regular option on the earlier of the two contract months in the spread pair; for example, all CSO contracts for which the December 2019 future is the front month of the pair will expire on the last trading day of the December 2019 regular option.
Call Option	Buyer of a CSO Call Option has the right to establish a spread position of long the first month in the spread pair and short the second month in the pair, at a price difference equal to the Strike Price of the CSO contract.
Put Option	Buyer of a CSO Put Option has the right to establish a spread position of short the first month in the spread pair and long the second month in the pair, at a price difference equal to the Strike Price of the CSO contract.
Strike Price	The Strike Price of an CSO contract can be positive (indicating the price of the front month is above the price of the back month in the pair), negative (indicating the price of the front month is below the price of the back month in the pair) or zero (indicating the prices of the two months in the pair are the same).