Option on Argus WTI Houston vs Argus WTI Midland Trade Month Average Price Option

Contract Specifications

Description	The Argus WTI Houston vs Argus WTI Midland Trade Month Average Price Option is based on the underlying Argus WTI Houston vs Argus WTI Midland Trade Month Future (MSN) and will automatically exercise into the Argus WTI Houston vs Argus WTI Midland Trade Month Future (MSN) on the day of expiry of the options contract.
Contract Symbol	MSN
Hedge Instrument	The delta hedge for the Argus WTI Houston vs Argus WTI Midland Trade Month Average Price Option is the Argus WTI Houston vs Argus WTI Midland Future (MSN).
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	Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

Contract Specifications

Option Style	Options are averaged price and will be automatically exercised into the Argus WTI Houston vs Argus WTI Midland Trade Month 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 vs Argus WTI Midland Trade Month 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.
Strike Price Intervals	A minimum of 10 Strike Prices in increments of $0.01 per barrel 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 60 consecutive months
Business Days	Publication days for Argus Crude