



The ICE Brent Index

September 2021

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THE ICE BRENT INDEX

The cash settlement price for the ICE Brent Future is based on the ICE Brent Index ('The Index') on expiry day for the relevant ICE Brent Futures contract month. The Index represents the average price of trading in the Reference Quality Crude Oil¹ market in the relevant delivery month as reported and confirmed by the industry media². Only published cargo size (600,000 barrels) trades and assessments are taken into consideration in the calculation.

Calculation

The ICE Brent Index is calculated as the average of the values derived for each of the five intraday sampling points.

Each of those values is derived, at each sampling point, by averaging:

- 1) The volume-weighted minute marker³ for the **second** month ICE Brent Futures contract at the sampling time, *plus* the weighted average value of full-cargo **second** month EFP⁴ trades, *plus* the weighted average of full-cargo spread trades (between **first** and **second** months) in the Reference Quality Crude Oil market, in the **30 minute** period concluding at the sampling point in question; and
- 2) that same volume-weighted minute marker *plus* the sum of the straight averages of the independent assessment(s) specified in the Index methodology for the **second** month EFP value *plus* the spread between the **first and second** month Reference Quality Crude Oil assessments at the sampling point; and
- 3) a weighted average of full-cargo **first** month Reference Quality Crude Oil trades (if any) in the **5 minute** period concluding at the sampling point in question.

Should trades occur in only **one** of the component markets of section 1 above, the **missing** trade-derived value will be replaced in the calculation above by an independent assessment of that component market at that time, but only where no trade in that component market has occurred.

Should trades occur in **neither** component market during the 30 minute period in question, then the value for that sampling time will be calculated as per paragraphs 2 and 3 only, i.e., on the basis of independent assessments and any full cash cargoes only.

Should no trades occur in component market 3, then the value for that sampling time will be calculated as per paragraph 1 and/or 2 only, i.e. on the basis of independent assessments and/or any EFP and/or spread trade only.

1. VOLUME WEIGHTED SECOND MONTH MINUTE MARKERS

¹ As per Rule L.3 - *The Contract shall be referable to crude oil or crude oil blends of current quality permissible for delivery against the prevalent North Sea crude oil benchmark forward contract and/or such other crude oil grades as the Exchange shall from time to time determine having regard to market circumstances ("Reference Quality Crude Oil")*. The currently-determined reference quality is as announced in [Circular 17/207](#)

² As per Rule L.4(c) - *Should forward market prices or a price assessment not be available from reporting services of a number or nature satisfactory to the Exchange then the Exchange may in its absolute discretion make such change in the method of calculation of the ICE Brent Index as it deems necessary in order to establish what it considers in its absolute discretion to be a representative price.*

³ Described in [ICE Report Center - Data \(theice.com\)](#) under 'Show Methodology'

⁴ Described in https://www.theice.com/publicdocs/futures/IFEU_EFP_EFS_Guidance.pdf



The volume weighted minute markers for the second month ICE Brent Futures contract are calculated by the Exchange by calculating the volume weighted average price of trades executed in the ICE Brent Futures second month contract during the relevant sampling period finishing: 10:30, 12:30, 14:30, 16:30 and 19:30⁵.

In addition, each Minute Marker is tradable as follows:

| Full Marker Name | Sampling Period | Tradable |
|--|-----------------|---|
| ICE Brent Crude Futures 10:30 Expiry Minute Marker | 10:29-10:30 | Each of these Minute Markers is available to trade, until the end of each of their respective sampling periods, on the expiry day of the front-month ICE Brent Crude Futures contract only. |
| ICE Brent Crude Futures 12:30 Expiry Minute Marker | 12:29-12:30 | |
| ICE Brent Crude Futures 14:30 Expiry Minute Marker | 14:29-14:30 | |
| ICE Brent London Minute Marker | 16:29-16:30 | The ICE Brent London Minute Marker is available to trade up to the end of sampling period. |
| ICE Brent Futures daily settlement price | 19:28-19:30 | Tradable via the ICE Brent futures Trade at Settlement (TAS) market. |

2. FULL CARGO SECOND MONTH EFP TRADES AND FULL CARGO SPREAD TRADES (BETWEEN FIRST AND SECOND MONTHS)

For inclusion in the Index calculation, the full cargo EFP must be traded in the 30 minutes before the sample time, so 10:00:00 to 10:29:59 for the 10:30 sampling point, 12:00:00 to 12:29:59 for the 12:30 sampling point and so forth. If the cargo trades any time after 10:30 or 12:30 and so forth, it will not be included in the Index calculation. If the trade appears to be close to the cut-off, the Exchange will, where possible, reach out to participants on one or both sides, and/or to brokers to clarify when the trade actually occurred.

3. INDEPENDENT ASSESSMENTS

ICIS assess the M2 EFP and M1/M2 Reference Quality Crude Oil Spread at 10:30, 12:30, 14:30, 16:30 and 19:30 on expiry day. These independent assessments of the M2 EFP and M1/M2 Reference Quality Crude Oil Spread are used in the calculation of the Brent Index.

4. FIRST MONTH REFERENCE QUALITY CRUDE OIL TRADES

To be included in the Brent Index, full cargo front month cargo trades must happen within 5 minutes of the cut-off time. These are at: 10:25:00 to 10:29:59, 12:25:00 to 12:29:59, 14:25:00 to 14:29:59, 16:25:00 to 16:29:59 and 19:25:00 to 19:29:59.

⁵ Further detail available in Section 2.4 of the Trading Procedures: https://www.theice.com/publicdocs/contractregs/185_XX_TRADING_PROCEDURES.pdf

5. DATA SOURCE

| Component | Source: ICE | Source: ICIS | Source: Other (direct enquiry) |
|------------------------------|-------------|--------------|--------------------------------|
| M2 Minute Markers | ✓ | | |
| M2 EFPs | | ✓ | ✓ |
| Front month Spreads | | ✓ | ✓ |
| Front month outright cargoes | | ✓ | ✓ |
| Independent assessments | | ✓ | |

6. CURRENTLY USED PRICE REPORTING AGENCIES:

| NO. | NAME | WEBSITE |
|-----|------------------------------|---|
| 1a | ICIS | http://www.icis.com/energy/crude-oil/ |
| 1b. | ICIS World Crude Methodology | https://s3-eu-west-1.amazonaws.com/cjp-rbi-icis-compliance/wp-content/uploads/2020/07/22111959/World-Crude-Methodology-1-August-2020.pdf |

APPENDIX 1 (Available [here](#) as an Excel document):

ICE BRENT INDEX METHODOLOGY

| ICE Minute Markers | | Cargo Trades as reported by independent assessors | | | Independent Assessments | | | Cargo Trades as reported by independent assessors | | | Calculation | | | | | | | | | | | | | | |
|----------------------------------|---------------|--|----------------------|----------------|-------------------------------------|---------------|---|---|--|---------------|--------------------------------|----------------------|------------------------|---------------------------------------|---|--|---|------------------------------|---------------------------------------|---|---|--|------------------------------|--|--------------------------------|
| ICE Brent Index M2 Minute Marker | | Premia for M2 EFP Trades (i.e. the differential between M2 cash BFOE and M2 ICE Brent Futures) | | | M1/M2 Cash BFOE Cargo Spread Trades | | Independent Assessment of M2 EFP Premia (i.e. the differential between M2 cash BFOE and M2 ICE Brent Futures) | | Independent Assessment of M1/M2 Cash BFOE Cargo Spread | | M1 Cash BFOE full cargo trades | | | | | | | | | | | | | | |
| Time | Price (\$/bb) | Time | Trade Time | Premia (\$/bb) | Trade Time | Price (\$/bb) | Assessment Time | Price (\$/bb) | Time | Price (\$/bb) | Time | Trade Time | Time | ICE Brent Index M2 Minute Marker (A1) | Weighted Average Premia for M2 EFP trades (A1a) | Weighted Average M1/M2 Cash BFOE Spread Trades (A1b) | M1 Cash/M2 Futures based on Trades (A1i) (derived from A1ia + A1ib) | Value (A) (derived A1 + A1i) | ICE Brent Index M2 Minute Marker (B1) | Average Independent Assessment of M2 EFP Premia (B1a) | Average Independent Assessment of M1/M2 Cash BFOE Spread Trades (B1b) | M1 Cash/M2 Futures based on Assessments (B1i) (derived from B1ia + B1ib) | Value (B) (derived B1 + B1i) | Weighted Average of M1 Cash BFOE full cargo trades (C) | Weighted Average of A, B and C |
| 10:30 | | | 10:00:00 to 10:30:00 | | | | 10:30 | | 10:30 | | | 10:25:00 to 10:30:00 | 10:30 | | No Input | No Input | - | - | | | | | - | No Input | - |
| | | | Outside Period | | | | | | | | | Outside Period | | | | | | | | | | | | | |
| 12:30 | | | 12:00:00 to 12:30:00 | | | | 12:30 | | 12:30 | | | 12:25:00 to 12:30:00 | 12:30 | | No Input | No Input | - | - | | | | | - | No Input | - |
| | | | Outside Period | | | | | | | | | Outside Period | | | | | | | | | | | | | |
| 14:30 | | | 14:00:00 to 14:30:00 | | | | 14:30 | | 14:30 | | | 14:25:00 to 14:30:00 | 14:30 | | No Input | No Input | - | - | | | | | - | No Input | - |
| | | | Outside Period | | | | | | | | | Outside Period | | | | | | | | | | | | | |
| 16:30 | | | 16:00:00 to 16:30:00 | | | | 16:30 | | 16:30 | | | 16:25:00 to 16:30:00 | 16:30 | | No Input | No Input | - | - | | | | | - | No Input | - |
| | | | Outside Period | | | | | | | | | Outside Period | | | | | | | | | | | | | |
| 19:30 | | | 19:00:00 to 19:30:00 | | | | 19:30 | | 19:30 | | | 19:25:00 to 19:30:00 | 19:30 | | No Input | No Input | - | - | | | | | - | No Input | - |
| | | | Outside Period | | | | | | | | | Outside Period | | | | | | | | | | | | | |
| | | | | | | | | | | | | | ICE Brent Index | | | | | | | | | | - | | |

*1: Should trades occur in neither component market (for A1i) during the 5 minute period in question, then the value for that sampling time will not be calculated.

*2: Should no trades occur of first month BFOE cash full cargoes at the sampling point in question, then the intraday value will be based on the average of A (if applicable) and B only.