



## Crude Diff - WTI vs Brent Bullet Options

### Contract Specifications

Description	A monthly cash settled option based on the difference between the ICE daily settlement price for WTI Futures contract and the ICE daily settlement price for Brent Futures contract.
Commodity Code	TIB
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 end one Business Day prior to the Expiration Date of the ICE Brent Crude Futures Contract
Option Style	Options are European-style and will be automatically exercised 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.

# Contract Specifications

Expiry	<p>19:30 London Time (14:30 EST).</p> <p>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.</p> <p>The reference price will be a price in USD and cents per barrel based on the difference of the applicable ICE WTI Crude Futures contract and the ICE Brent Crude Futures contract series. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro-rata basis.</p>
Option Premium / Daily Margin	<p>The WTI/Brent Crude Oil Spread Options are premium-paid-upfront options. 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.</p>
Strike Price Intervals	<p>This contract will support Custom Option Strikes with strikes in increments of \$0.01 within a range of -\$100 to +\$100. This range may be revised from time to time according to futures 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.</p>
Contract Series	<p>Up to 36 consecutive months</p>
Final Payment Date	<p>Two Clearing House Business Days following the Last Trading Day.</p>
Business Days	<p>Publication days for ICE</p>