



Brent Average Price Options

Contract Specifications

Description	The Brent Average Price Option is based on the underlying ICE Brent 1st Line Future (I) and will automatically exercise into the settlement price of the 1st Line Future on the day of expiry of the options contract.
Commodity Code	I
Hedge Instrument	The delta hedge for the Brent Average Price Option is the ICE Brent 1st Line Swap Future (I)
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
Option Style	Options are Asian-style and will be automatically exercised on the expiry day if they are "in the money". The swap 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.

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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 equal to the average of the settlement prices as made public by ICE for the Brent 1st Line Swap 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.</p>
Option Premium / Daily Margin	<p>The premium on the Brent Average Priced Option is paid/received on the business day following the day of trade. Net Liquidating Value (NLV) will be re calculated each business day based on the relevant daily settlement prices. For buyers of options the NLV credit will be used to off set their Original Margin (OM) requirement; for sellers of options, the NLV debit must be covered by cash or collateral in the same manner as OM requirement. OM for all options contracts is based on the option's delta.</p>
Strike Price Intervals	<p>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.</p>
Contract Series	<p>Up to 72 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>