WTI Average Price Options

Contract Specifications

Description	The WTI Average Price Option is based on the underlying ICE WTI 1st Line Future (R) and will automatically exercise into the settlement price of the 1st Line Future on the day of expiry of the options contract.
Contract Symbol	R
Hedge Instrument	The delta hedge for the WTI Average Price Option is the ICE WTI 1st Line Swap Future (R).
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	19:30 London Time (14:30 EST). 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. 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 WTI 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.
Option Premium / Daily Margin	The premium on the WTI Average Price Option is paid/received on the day following the day of trade. Option positions, as with swap futures positions, are marked-to-market daily giving rise to positive or negative realized potential variation margin flows. Once the premium is paid there is no additional variation or initial margin payable by the buyer of the option. Initial margin is payable by the buyer and seller of the option, but for the buyer the initial margin will not exceed the value of the premium paid. In addition, the buyer may use the value of the premium of an in¬the-money option collateral against other ICE/ICE Futures margin obligations at ICE Clear Europe
Strike Price Intervals	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.
Contract Series	Up to 96 consecutive months
Final Payment Date	Two Clearing House Business Days following the Last Trading Day.
Business Days	Publication days for ICE
Linked Future	Yes