Three Year Mid-Curve Options on Euribor® Futures

Contract Specifications

Description	Option which delivers into the three month Euribor futures contract expiring in three years' time
Contract Symbol	K3
Unit of Trading	One Three Month Euribor Futures Contract
Contract Series	March, June, September, December, and four serial months, such that eight expiry months are available for trading, with the nearest six expiry months being consecutive calendar months
Contract Standard	Assignment of one three month Euribor futures contract at the exercise price. The futures delivery month associated with each option expiry month shall be: March, the following three years, in respect of January, February and March expiry months; June, the following three years, in respect of April, May and June expiry months; September, the following three years, in respect of July, August and September expiry months; and December, the following three years, in respect of October, November and December expiry months.
Last Trading Day	Friday before the third Wednesday of the expiry month. On the Last Trading Day, trading in the expiring month will cease at 15:15.

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Exercise Procedure	Exercise by 17:00 on any business day, brought forward to 16:00 on the Last Trading Day. Exercise Price Intervals 0.125, (i.e. 0.125%) e.g. 94.00, 94.125, 94.25 etc for all expiry months. For all contract months: A minimum of 13 Strike Prices in increments of 0.125 above and below the at-the-money Strike Price. The “at-the-money” strike price is the closest interval nearest to the previous business day’s settlement price of the corresponding underlying future. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in 0.125 increments.
Delivery Date	Delivery on the first business day after the exercise day.
Minimum Price Fluctuation	0.0025 (€6.25)
Algorithm	Central order book applies a gradual time based pro-rata (GTBPR) matching algorithm with a time-weighting of 1 (ie the algorithm is effectively a priority pro-rata matching algorithm) with priority given to the first order at the best price subject to a minimum order size (collar) and limited to a maximum order size (cap).
Wholesale Trade Types	Block Trading, Asset Allocation Minimum Volume Thresholds can be found here
Additional Information	Potential users of the Options on Euribor Futures Contracts should familiarize themselves with the terms of these contracts and with the terms of the Underlying Futures Contract.
Option Premium	The contract price is not paid at the time of purchase. Option positions, as with futures position, are settled-to-market daily giving rise to positive or negative variation margin flows. When the Buyer exercises/abandons an option, the Buyer is required to pay the original contract price to the Exchange's Clearing Houser (CH) and the CH will pay the original option price to the Seller on the following business day. Such payments will be netted against the variation margin balances of Buyer and Seller by the CH.
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