



## Powder River Basin Coal Options

### Contract Specifications

Description	The ICE Powder River Basin Coal Options contract is an option on the Powder River Basin Coal Futures contract. At expiry, one lot of Powder River Basin Coal Options will exercise into one lot of Powder River Basin Coal Futures. Powder River Basin Coal Options are European-style, such that In-The-Money options, unless abandoned, are automatically exercised at expiry. At-The-Money and Out-of-The-Money options will expire un-exercised unless the Member has elected to exercise them.
Commodity Code	UCP
Hedge Instrument	Powder River Basin Coal Futures contract.
Trading Period	Up to 60 consecutive months, Quarterly, seasonal, calendar, and any period of consecutive monthly contracts can be registered as a strip. For example, a Q1 option is an option on Jan, an option on Feb, and an option on Mar, with each option expiring thirty calendar days before the start of the relevant contract month.
Expiration Date	The option contract shall expire at the close of the designated settlement period on the first business day of the month prior to the contract month of the futures contract.
Contract Security	ICE Clear Europe acts as central counterparty to all trades thereby guaranteeing the financial performance of ICE Futures Europe contracts registered in the name of its Members up to and including delivery, exercise and/or settlement.
Trading Model	Continuous trading throughout trading hours
Trading Methods	Electronic futures, Exchange for Physical (EFP), Exchange for Swap (EFS) and Block Trades are available for this contract.

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Unit of Trading	1,000 short tons of thermal coal
Minimum Trading Size	1 lot = 1,000 short tons
Minimum Block Order	5 lots = 5,000 short tons
Quotation	The contract price is in US Dollars and in US Dollar Cents per ton
Strike Price Increments	A minimum of ten Strike Prices in increments of \$0.50 above and below the at-the-money Strike Price. Strike Price boundaries are adjusted according to futures price movements. User-defined Strike Prices are allowed in \$0.25 increments.
Minimum Price Fluctuation	1 dollar cent per tonne
Minimum Tick	\$0.01 per tonne.
Maximum Price Fluctuation	There are no limits.
Position Limit	Positions are reported to the Exchange on a daily basis. The Exchange has powers to prevent the development of excessive positions or unwarranted speculation or any other undesirable situation and may take steps to resolve such situations including the ability to mandate members to limit the size of such positions or to reduce positions where appropriate.
Option Premium	Equity Style such that premiums are paid at the time the transaction is executed.
Exercise	Expires into the ICE Powder River Basin Coal Futures contract with European-style exercise. If the option is not abandoned, automatic exercise will occur.