# Jet Fuel Outright - Jet CIF NWE Cargoes (Platts) Average Price Options

## Contract Specifications

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| Description | The Jet CIF NWE Cargoes (Platts) Average Price Option is based on the underlying Jet CIF NWE Cargoes Swap Future (JCN) and will automatically exercise into the settlement price of the Swap Future on the day of expiry of the options contract |
| Contract Symbol | JCN |
| Hedge Instrument | The delta hedge for the Jet CIF NWE Cargoes (Platts) Average Price Option is the Jet CIF NWE Cargoes Swap Future (JCN) |
| Contract Size | 1,000 Metric Tonnes |
| Unit of Trading | Any multiple of 1,000 Metric Tonnes |
| Currency | US Dollars and cents |
| Trading Price Quotation | Twenty five cents ($0.25) per metric tonne |
| Settlement Price | One tenth of one cent ($0.001) per metric tonne |
| Minimum Price Fluctuation | One tenth of one cent ($0.001) per metric tonne |
| Last Trading Day | Last Trading Day of the contract month |

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| Option Style | Options are average priced and will be automatically exercised into the Jet CIF NWE Cargoes Swap Future 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. |
| Option Premium / Daily Margin | The Jet CIF NWE Cargoes (Platts) Average Price Option is a premium-paid-upfront option. 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. |
| Expiry | 16:30 London Time.<br><br>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.<br><br>The reference price will be a price in USD and cents per metric tonne equal to the arithmetic average of the settlement prices of the Jet CIF NWE Cargoes 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. |
| Strike Price Intervals | This contract will support Custom Option Strikes with strikes in increments of $0.25 within a range of $800 to $1,200. This range may be revised from time to time according to future 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. |
| Contract Series | Up to 60 consecutive months |
| Final Payment Date | Two Clearing House Business Days following the Last Trading Day |
| Business Days | Publication days for Platts European Marketscan |