Crude Future - Brent 1-Month Calendar Spread Options

Contract Specifications

Description	The Brent Crude Oil 1-Month Calendar Spread Option is based on the difference between two consecutive ICE Brent Crude Futures months.
Contract Symbol	BRM
Hedge Instrument	The delta hedge for the Brent 1-Month Calendar Spread Option is the ICE Brent Crude Future.
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	Trading shall end at the end of the designated settlement period one business day prior to the Expiration Date of the nearby month ICE Brent Crude Futures contract.

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Option Style	Options are European style and will be automatically exercised on the expiry day if they are “in the money”. The 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. No manual exercise is permitted.
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 difference between the settlement price of the nearby ICE Brent Crude Futures contract and the settlement price of the next consecutive contract month of the ICE Brent Crude Futures contract series on the Last Trading Day.
Option Premium / Daily Margin	Calendar Spread Options are equity-style and there is no daily Variation Margin payment. The premium on the Calendar Spread 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 ICE® Risk Model
Strike Price Intervals	A minimum of 10 Strike Prices in increments of $0.05 per bbl 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 $0.01 increments.
Contract Series	Up to 48 consecutive 1-month calendar spreads
Final Payment Date	Two Clearing House Business Days following the Last Trading Day
Business Days	Publication days for ICE