

Chapter 14T

Options on Black Sea Wheat Financially Settled (Platts) Futures

14T100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Black Sea Wheat Financially Settled (Platts) futures contracts. In addition to the rules of this chapter, transactions in options on Black Sea Wheat Financially Settled (Platts) futures shall be subject to the general rules of Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

14T101. OPTION CHARACTERISTICS

14T101.A. Contract Months

Trading may be scheduled in such months as determined by the Exchange and the number of months open for trading at a given time shall also be determined by the Exchange.

14T101.B. Trading Unit

Each option reflects one fifty (50) metric tons Black Sea Wheat Financially Settled (Platts) futures contract with the same contract month.

14T101.C. Minimum Fluctuations

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.05 per metric ton or \$2.50 per contract.

However, a position may be initiated or liquidated at a premium of \$1.00 per option contract.

14T101.D. Trading Hours

The hours of trading for this contract shall be determined by the Exchange.

14T101.E. Exercise and Exercise Prices

Transactions and exercise of options shall be conducted for option contracts as set forth in the [Strike Price Listing and Exercise Procedures Table](#).

14T101.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

14T101.G. Nature of Option

A Call option on the Black Sea Wheat Financially Settled (Platts) futures contract represents an option for the buyer to assume a long position in the underlying Black Sea Wheat Financially Settled (Platts) futures at the strike price.

A Put option on the Black Sea Wheat Financially Settled (Platts) futures contract represents an option for the buyer to assume a short position in the underlying Black Sea Wheat Financially Settled (Platts) futures at the strike price.

14T101.H. Termination of Trading

Trading terminates on the last trading day of the corresponding Futures contract.

14T102. CASH SETTLEMENT

For a Call option on Black Sea Wheat Financially Settled (Platts) futures contracts that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the underlying futures Final Settlement Price and the strike price multiplied by 50 metric tons, or zero whichever is greater on the day on which the option is exercised.

Where a Call Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Wheat Financially Settled (Platts) futures contract.

For a Put Option on Black Sea Wheat Financially Settled (Platts) futures contracts that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the strike price and underlying futures Final Settlement Price multiplied by 50 metric tons, or zero whichever is greater on the day on which the option is exercised.

Where a Put Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Wheat Financially Settled (Platts) futures contract.

14T103. OPTION PREMIUM FLUCTUATION LIMITS

There are no option premium limits during any day for options on Black Sea Wheat Financially Settled (Platts) futures contracts.

14T104. PAYMENT OF OPTION PREMIUM

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.

14T105. DISCLAIMER

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