Chapter 1509

Aluminum Option - LME Aluminum CMA Option - LME

DESCRIPTION

Monthly cash settled put and call options based upon the price published by LME for the location specified in Floating Price A.

FLOATING PRICE A

The Floating Price for each contract month is equal to the arithmetic average of the LME Official Cash Settlement Price for Primary Aluminum for each business day that it is determined during the contract month.

OPTION CHARACTERISTICS

TRADING UNIT

On expiration of a Call Option, the value will be the difference between the arithmetic average of the LME Official Cash Settlement Price for Primary Aluminum (as described in Floating Price A) and the strike price, or zero whichever is greater. On expiration of a Put Option, the value will be the difference between the strike price and the arithmetic average of the LME Official Cash Settlement Price for Primary Aluminum (as described in Floating Price A), or zero whichever is greater.

TYPE OPTION

Cash-settled Average Price option which cannot be exercised prior to expiration.

CONTRACT UNIT AND VALUE

The contract quantity shall be metric tons. Each contract based shall be valued as the contract quantity in metric tons multiplied by the settlement price.

LISTING CYCLE

Up to 120 consecutive monthly contract periods.

PRICING AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars per metric ton. The minimum price fluctuation shall be $0.01 per metric ton. The minimum price increment will be $0.001. There shall be no maximum price fluctuation.

TERMINATION OF TRADING

Posting of transactions shall cease on the last calendar day of the contract month.

FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of posting for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.