



Trade At Settlement FAQ

March 2024

1.1 Settlement trades

This document sets out the contracts and contract months for which market participants may execute trades at the settlement price (“TAS”), or a premium/discount to the settlement price, and the trading hours during which they may do so. For a summary of the TAS facilities available in each contract, please see the table in section 1.4.

Settlement trades may be executed until the end of the relevant designated settlement period for the following contracts:

Brent Futures
WTI Futures
Midland WTI Futures
LS Gasoil Futures
RBOB Gasoline Futures
Heating Oil Futures
ULS Heating Oil Futures
ULS Diesel Futures
Dubai 1st Line Futures
London Cocoa Futures
Robusta Coffee Futures
White Sugar Futures
Short, Medium, Long and Ultra Long Gilt Futures
Short, Medium, Long and Ultra Long Bund Futures
Three Month Euro (EURIBOR ®) Futures

Settlement trades may be executed until the start of the relevant designated settlement period for the following contracts:

UK Natural Gas Futures
UKA Futures
IFEU Dutch TTF Natural Gas Futures

1.2 Settlement trades at a premium/discount to the settlement price

Settlement trades may be executed at a premium or discount to the settlement price, as detailed in section 1.4. Settlement trades may be executed on the central limit order book or executed as Block Trades (“Block TAS Trades”).

Settlement trades appear in the ICE Front End Clearing (“FEC”) system at the price executed (e.g. 0.00, 0.01, -0.01) until the official settlement price has been published by the Exchange. Upon receiving the official settlement price, FEC will update the price of the settlement trades, adjusting appropriately for any premium or discount.

The trade type for TAS trades executed on screen is ‘Z’. The trade type for Block TAS Trades is ‘W’.

Example

Trader A enters a 1 lot bid in Brent Crude Futures Jun23 TAS at -0.01 at 10:48. Trader B hits the 1 lot bid at 15:30.

At 19:30, the settlement price for Jun23 Brent Crude Futures is published as \$60.01. The trade matched above will be priced at \$60.01 minus 0.01, i.e., \$60.00.

Trader A is subsequently long 1 lot at \$60.00, whilst Trader B is short 1 lot at \$60.00.

1.3 Inter-Product Spread trades

Inter-Product Spread (IPS) Settlement trades may be executed until the end of the relevant designated settlement period for the following contracts:

Midland WTI vs WTI Futures
WTI/WTI Last Day Futures

IPS Settlement trades will work in the same way as the TAS calendar spreads however, rather than receiving long and short positions across two expires, market participants will receive long and short positions across two products.

When non-implied trades are triggered, any premium/discount to the IPS TAS will be applied to the Midland (HOU)/ WTI Last Day (WLD) leg, anchoring off the WTI (T) settlement.

Example

Trader A enters a 1 lot bid in Midland/WTI Futures Nov23 IPS TAS at 0.01 at 12:43. Trader B hits the 1 lot bid at 14:21.

At 19:30 the settlement price for Midland/WTI Futures Nov23 Spread is published as 0.93.

| CC | Product | Hub | Strip | Settlement |
|-----|-------------------------|-----------------|-------|-----------------|
| HOU | Midland WTI Futures | Midland WTI | Nov23 | 87.590 (87.590) |
| T | WTI Crude Futures | WTI | Nov23 | 86.66 (86.66) |
| | Midland/WTI Futures Spr | Midland WTI/WTI | Nov23 | 0.93 (0.93) |

The buyer of the Midland/WTI Futures Nov23 IPS TAS will receive a long Midland and a short WTI position.

Both traders will be filled at a spread price of 0.94 (settlement of 0.93 + 0.01 premium), anchoring off the Nov23 WTI settlement price of 86.66.

Hence, the Nov23 Midland leg price fill will be 87.60 (86.66 + 0.94).

| | Trader A | Trader B |
|---------------|----------|---------------|
| HOU/T | Long | Short @ 0.94 |
| WTI (T) | Short | Long @ 86.66 |
| Midland (HOU) | Long | Short @ 87.60 |

Please note, when implied trades are triggered, the leg prices of the IPS TAS trade will anchor off the given premium/discount on the WTI TAS outright order.

1.4 Summary table

The ranges above and below the settlement price for the relevant contracts and calendar spreads are summarised below.

| Contract | Outright Contract Months | Calendar Spreads | Ticks above or below the settlement price |
|--|--------------------------|------------------|---|
| Brent Futures* | Front 14† | All Combinations | +/- 5 ticks |
| WTI Futures | Front 14† | All Combinations | +/- 5 ticks |
| Midland WTI Futures | Front 3 | All Combinations | +/- 15 ticks |
| Midland WTI/WTI Futures IPS | Front 3 | N/A | +/- 10 ticks |
| WTI Last Day Futures | Front 12 | N/A | +/- 15 ticks |
| WTI/WTI Last Day IPS | Front 12 | N/A | +/- 10 ticks |
| UK Natural Gas Futures | Front 3 | All Combinations | +/- 20 ticks |
| IFEU Dutch TTF Natural Gas Futures | Front 3 | All Combinations | +/- 20 ticks |
| UKA Futures | Front 2 December | N/A | +/- 10 ticks |
| LS Gasoil Futures* | Front 12 | All Combinations | +/- 2 ticks |
| Heating Oil Futures | Front 12 | All Combinations | +/- 10 ticks |
| RBOB Gasoline Futures | Front 12 | All Combinations | +/- 10 ticks |
| ULS Heating Oil Futures | Front 3 | All Combinations | +/- 10 ticks |
| ULS Diesel Futures | Front 3 | All Combinations | +/- 10 ticks |
| Dubai 1 st Line Futures | Front 3*** | All Combinations | +/- 5 ticks |
| London Cocoa Futures* | Front 3 | All Combinations | +/- 5 ticks |
| Robusta Coffee Futures** | Front 3 | All Combinations | +/- 5 ticks |
| White Sugar Futures* | Front 3 | All Combinations | +/- 5 ticks |
| Short, Medium, Long and Ultra Long Gilt Futures* | Front 2 | All Combinations | +/- 5 ticks |
| Short, Medium, Long and Ultra Long Bund Futures* | Front 2 | All Combinations | +/- 5 ticks |
| Three Month Euro (EURIBOR ®) Futures* | Front 3 | All Combinations | +/- 5 ticks |

* The TAS functionality will **not** be available on the Last Trading Day of the expiring contract month.

** The Robusta Coffee Futures TAS functionality will be unavailable as of the first notice day of the expiring contract month.

*** Available in the front 3 outright months beyond the pricing contract month.

† Front 14 outright months and the next available June and December outright months, such that the TAS functionality will be available in two June and two December months at any given time.