Circular Letter

November 17, 2026 050/2026-PRE

Change to the Pricing Model for 4/5 Arabica Coffee Futures Contract with Physical Delivery (ICF)

Intended for segment participants: Listed.

Summary: The new pricing methodology will come into effect as of November 23, 2026.

In seeking to improve the pricing methodology for derivatives contracts, B3 hereby informs you that as of November 23, 2026, it will change the settlement price calculation model for the 4/5 Arabica Coffee Futures Contract with Physical Delivery (ICF)

It should be noted that the currently effective rules and procedures, which are set out below, will change as described herein. Further details about these rules and procedures are available in the B3 Pricing Manual – Futures on the B3 website.

Procedures that will come into effect on November 23, 2026

P1. The settlement price is the average price of valid trades registered in the price formation window and are validated as per the parameters in **Table 6** of the Monthly Parameters Annex - Futures.

P2. If procedure P1 cannot be applied, the settlement price will be the average bid and ask price determined by the VWAP Methodology in the price formation window. Validation is performed according to the parameters in **Table 6** of the Monthly Parameters Annex - Futures. The **VWAP Methodology** can be found in item (iv) of the General Provisions Section, Market Pricing in the B3 Pricing Manual - Futures.

P3. If the above procedures cannot be applied, the settlement the settlement price will be determined based on the previous trading session's settlement price, to which the

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additive daily variation between t and t-1, obtained from the settlement price of the reference contract month, shall be applied, in accordance with the following equation.

$$PA_{n,t} = PA_{n,t-1} + PA_{reference,t} - PA_{reference,t-1}$$

Where:

$PA_{n,t}$: settlement price for the nth contract month on date t;

$PA_{n,t-1}$: settlement price for the nth contract month on date t-1;

$PA_{reference,t}$: settlement price of the reference contract month on date t;

$PA_{reference,t-1}$: settlement price of the reference contract month on date t-1

The reference contract month will be the most liquid contract month of the harvest or off-season blocks corresponding to the nth contract month to be calculated, and whose price on the day was determined by the P1 or P2 procedures.

The most liquid contract month will be that with the largest number of contracts with open interest at the start of the calculation date. If two or more contract months have the same volume of open interest, the closest to maturity in business days (shortest contract month) will be selected.

If no contract month in the block has a price determined by procedures P1 or P2, the reference contract month will be that, among the reference contract months in the previous or subsequent blocks, which is the closest in business days to the contract month to be priced. If the number of business days is the same, the reference contract month closest to the expiration date of the contract to be priced will be used.

If there is no reference contract month, that is, no contract month with a settlement price determined by procedures P1 or P2, the settlement prices for **all** contract months on date t will be defined as their respective settlement prices from the previous date t-1, provided they exist.

$$PA_{n,t} = PA_{n,t-1}$$

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The harvest and off-season blocks follow the distribution in **Table 7** of the Monthly Parameters Annex - Futures

P4. If the settlement price cannot be determined using the previous procedures due to the absence of a settlement price on the previous day (first trading day), the settlement price will be determined according to the hypotheses below:

1. *When there is a previous and a subsequent contract month*, both with a settlement price determined by procedures **P1, P2** or **P3**, exponential interpolation between the settlement prices of the nearest previous contract month and the nearest subsequent contract month, in business days.
2. *When there is no subsequent contract month*, constant extrapolation of the previous contract month with a settlement price determined by procedures **P1, P2** or **P3**.

The wording of the 4/5 Arabica Coffee Futures Contract draft remains as published on the B3 website (Products and Services > Commodities > Arabica Coffee 4/5).

For further information, please contact our service center below.

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