

Chapter 391

E-mini® FTSE® Emerging Index Futures

39100. SCOPE OF CHAPTER

This chapter is limited in application to E-mini FTSE Emerging Index futures ("futures"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referred to herein shall refer to and indicate Chicago Time.

39101. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at USD 100 times the FTSE Emerging Index ("Index").

39102. TRADING SPECIFICATIONS

39102.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

39102.B. Trading Unit

The unit of trade shall be USD 100 times the Index.

39102.C. Price Increments

Bids and offers shall be quoted in Index points. Subject to Rule 39106.C., the minimum price increment shall be 0.10 Index points, equal to USD 10 per contract, except for intermonth spreads executed pursuant to Rule 542.A., for which the minimum price increment shall be 0.01 Index points, equal to USD 1 per intermonth spread.

39102.D. 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.

39102.E. [Reserved]

39102.F. [Reserved]

39102.G. Termination of Trading

Trading in expiring futures shall terminate at 3:00 p.m. on the Business Day scheduled for determination of the Final Settlement Price (Rule 39103.A.) of such futures.

39102.H. [Reserved]

39102.I. Price Limits

Futures trading shall be subject to Price Limits as set forth in this Rule.

For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

1. Daily Determination of Price Limits

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 39102.I.1.a.) and the corresponding Offsets (Rule 39102.I.1.b.), as follows:

$$7\% \text{ Price Limit} = \text{Reference Price minus } 7\% \text{ Offset}$$

$$13\% \text{ Price Limit} = \text{Reference Price minus } 13\% \text{ Offset}$$

$$20\% \text{ Price Limit} = \text{Reference Price minus } 20\% \text{ Offset}$$

1.a. Reference Prices for Price Limits

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

- Tier 1 Such Reference Price shall be based on the volume-weighted average price of transactions in futures for such delivery month on the CME Globex electronic trading platform between 2:59:30 p.m. and 3:00:00 p.m. ("reference interval").
- Tier 2 If no such transaction occurs during the reference interval, then such Reference Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the reference interval, provided that the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.20 Index points.
- Tier 3 If such Reference Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.10 Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

1.b. Offsets for Price Limits

For a given Business Day, the Exchange shall determine Offsets on the basis of the Index closing value ("I") for the first preceding Business Day, as follows:

$$\begin{aligned} 7\% \text{ Offset} &= 0.07 \times I \\ 13\% \text{ Offset} &= 0.13 \times I \\ 20\% \text{ Offset} &= 0.20 \times I \end{aligned}$$

Each Offset value shall be rounded down to the nearest integer multiple of 0.10 Index point. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

2. Application of Price Limits

From the commencement of any Trading Day there shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 10-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 13% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 10-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

39103. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement.

39103.A. Final Settlement Price

For a futures contract for a given delivery month, the Final Settlement Price shall be determined on the third Friday of such delivery month, and shall be equal to the Index closing value for the third Friday of such delivery month.

If the Index is not scheduled to be published on the third Friday of such delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

39103.B. Final Settlement

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 39102.G.) shall make payment to or receive payment from the Clearing House in accordance with normal variation margin procedures based on such expiring contract's Final Settlement Price (Rule 39103.A.).

39104. [RESERVED]**39105. [RESERVED]****39106. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

39106.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC or BTIC block trade executed on a given Trading Day on or before 3:00 p.m., the corresponding futures price shall be assigned by reference to the Index closing value for the current Business Day. For a BTIC or BTIC block trade executed on a given Business Day after 3:00 p.m., the corresponding futures price shall be assigned by reference to the Index closing value for the next following Business Day.

39106.B. BTIC Price Assignment Procedures

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

39106.C. BTIC Minimum Price Increments

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in increments of 0.01 Index points.

39106.D. Market Disruption Events

In the event of a market disruption, which precludes a valid Index closing value calculation, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the futures trading.

(End Chapter 391)

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 391

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