

## Chapter 30

### CBOT<sup>®</sup> Dow Jones US Real Estate Index Futures<sup>1</sup>

#### 30100. SCOPE OF CHAPTER

This chapter is limited in application to CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures. The procedures for trading, clearing, delivery and settlement of this contract not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

#### 30101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (as described in Rule 30104.) of the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index on the final settlement day (as described in Rule 30105.).

#### 30102. TRADING SPECIFICATIONS

Trading in Dow Jones U.S. Real Estate Index futures is regularly conducted in four months - March, June, September and December. The number of months open for trading at a given time shall be determined by the Exchange.

##### 30102.A. Trading Schedule

The hours for trading of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be determined by the Exchange. The market shall be opened and closed for all months simultaneously, or in such other manner the Exchange shall direct.

##### 30102.B. Trading Unit

The unit of trading shall be \$100.00 times the Dow Jones<sup>SM</sup> US Real Estate Index.

##### 30102.C. Price Increments

The price of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be quoted in index points. One index point is worth \$100.00. The minimum price fluctuation shall be one tenth of an index point per contract (\$10.00). Contracts shall not be made on any other price basis.

##### 30102.D. Daily Price Limits<sup>2</sup>

Daily price limits and trading halts of the CBOT Dow Jones US Real Estate Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For purposes of this rule, the primary contract expiration month for CBOT Dow Jones US Real Estate Index futures contracts shall be defined as the futures contract that trades in the lead month configuration. Exchange staff shall have the responsibility of determining whether the primary contract expiration month is limit bid or limit offered.

For the first day of trading in a newly listed contract expiration month, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** For each calendar quarter, there shall be three successive price limits: Level 1, Level 2, and Level 3. The limit thresholds that define Levels 1, 2, and 3 shall be calculated at the beginning of the pertinent calendar quarter, using the average daily closing value of the DJIA for the calendar month prior to the beginning of such calendar quarter. The Level 1 limit threshold shall equal 10% of such average daily closing value, the Level 2 limit threshold shall equal 20% of such average daily closing value, and the Level 3 limit threshold shall equal 30% of such average daily closing value. Each limit threshold shall be rounded to the nearest fifty DJIA index points.

These three limit thresholds, so computed, shall remain in effect throughout the pertinent calendar quarter, until the next calculation. These limit thresholds shall be used to calculate price limits for each trading session within the pertinent calendar quarter, as follows:

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<sup>2</sup> Revised December 2007; January 2008.

Level 1 shall equal the settlement price of the preceding regular trading session minus the Level 1 limit threshold.

Level 2 shall equal the settlement price of the preceding regular trading session minus the Level 2 limit threshold.

Level 3 shall equal the settlement price of the preceding regular trading session minus the Level 3 limit threshold.

**Price Limits During Regular Trading Hours:** The following price limits and trading halts shall apply to open outcry and electronic trading, in the primary contract expiration month only, during the Exchange's regular trading hours. For purposes of this rule, "regular trading hours" are defined for CBOT Dow Jones US Real Estate Index futures to begin with the time of the open for open outcry trading in DJIA futures, and to end with the later of the time of the close of open outcry trading, or the conclusion of any daytime electronic trading session that is part of the same trading day.

(a) Level 1:

When the primary futures contract is limit offered at the Level 1 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(b) Level 2:

When the primary futures contract is limit offered at the Level 2 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(c) Level 3:

The Level 3 price limit shall be in effect during all regular trading hours.

In the event that trades on the electronic trading platform occur through the price limits described above, any such trades may be busted by the Exchange.

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the CBOT Dow Jones US Real Estate Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the Dow Jones Industrial Average, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the CBOT DJIA (DJIA) US Real Estate Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>1</sup>:** If either a trading halt was in effect or the primary futures contract was locked at a limit at the close of trading, then the opening time of trading on GLOBEX® shall be delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of CBOT Dow Jones US Real Estate Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

The 5.0% Price Limit shall be calculated as one-half of the Level 1 or 10% price limit rounded down to the nearest integral multiple of 10 index points.

### **30102.E. Position Limits**

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of 5,000 contracts net long or short in all months combined.

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<sup>1</sup> Revised January 2009.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions.

#### **30102.F. Termination of Trading<sup>1</sup>**

Futures trading shall terminate at the regularly scheduled start of trading at the NYSE on the day scheduled for the determination of the Final Settlement Day.

After trading in contracts for future delivery in the current delivery month has ceased outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 30103.

#### **30103. DELIVERY ON FUTURES CONTRACTS**

Delivery against the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 30105.) and shall be accomplished by cash settlement as hereinafter provided.

Clearing members holding open positions in a CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contract at the time of termination of trading shall make payment to, and receive payment through, the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 30104. ).

#### **30104. FINAL SETTLEMENT PRICE**

The final settlement price shall be determined on the final settlement day. The final settlement price shall be \$100 times a Special Opening Quotation (SOQ) of the Dow Jones<sup>SM</sup> US Real Estate Index based on the opening prices of the component stocks in the index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement (as described in Rule 30105. ).

If a component stock does not trade on the day scheduled for determination of the final settlement price while the primary market for the stock is open for trading, the last sale price of the stock will be used to calculate the final settlement price.

#### **30105. FINAL SETTLEMENT DAY**

The final settlement day shall be defined as the third Friday of the contract month, or if the Dow Jones<sup>SM</sup> US Real Estate Index is not scheduled to be published for that day, the first preceding business day for which the Dow Jones<sup>SM</sup> US Real Estate Index is scheduled to be published.

#### **30106. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(See Rule 701.).

#### **30107. DISCLAIMER**

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<sup>1</sup> Revised February 2008.

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