

Chapter 22 30-Day Federal Funds Futures

22100. SCOPE OF CHAPTER

This chapter is limited in application to trading of 30-Day Federal Funds futures (“futures” or “contract”). The procedures for trading, clearing, delivery and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

22101. CONTRACT SPECIFICATIONS

Each contract is valued at \$4,167 times the contract-grade Index (Rule 22102.C.).

22102. TRADING SPECIFICATIONS

Trading in futures is regularly conducted in all calendar months. The number of delivery months open for trading at a given time shall be determined by the Exchange.

22102.A. Trading Schedule

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

22102.B. Trading Unit

For a contract for a given delivery month, the unit of trading shall be based upon the interest rate per annum on an unsecured one-month US domestic interbank deposit having principal value of approximately of \$5,000,000, for which (i) such interest rate shall accrue on the basis of the actual number of days spanned by the one-month term of such deposit, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth \$41.67 per futures contract, and (iii) such interest rate shall be the arithmetic average of the daily effective federal funds rate during such contract’s delivery month, subject to Rule 22103. The daily effective federal funds rate shall be as published by the Federal Reserve Bank of New York.

22102.C. Price Increments¹

For a contract for a given delivery month, the price shall be quoted in terms of the contract-grade index (“Index”), as 100.0000 minus the average daily effective federal funds rate during such contract’s delivery month. (For example, an average daily effective federal funds rate of 4.3275 percent per annum shall be quoted as an Index value of 95.6725.)

The minimum price fluctuation shall be 0.005 Index points, equal to \$20.835 per contract, subject to the following exceptions:

Where the first day of a contract’s delivery month is a Saturday, a Sunday, or a Monday, the minimum price fluctuation for such contract shall be 0.0025 Index points, equal to \$10.4175 per contract, as of the first Trading Day of such contract delivery month.

Where the first day of a contract’s delivery month is a Tuesday, a Wednesday, a Thursday, or a Friday, the minimum price fluctuation for such contract shall be 0.0025 Index points, equal to \$10.4175 per contract, as of the Trading Day immediately following the last Sunday of the month preceding such contract delivery month.

22102.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.

¹ Revised January 2009 and February 2016, and December 2017

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.

22102.E. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

22102.F. Termination of Trading

Trading in an expiring contract shall terminate at the close of trading on the last Business Day of such contract's delivery month.

22103. DELIVERY ON FUTURES CONTRACTS

On its last day of trading, an expiring contract shall be marked to market by reference to the Exchange daily settlement price for such contract.

Delivery on expiring contracts that remain outstanding following termination of trading shall be made by cash settlement through the Clearing House following normal variation margin procedures. The final mark to market on any such expiring contract shall be made on the day the contract final settlement price is determined, by reference to the contract final settlement price.

Such final settlement price shall be calculated by the Exchange on the business day on which the Federal Reserve Bank of New York publishes the daily effective federal funds rate ("rate") for the last day of such expiring contract's delivery month. The rate for the last day of such expiring contract's delivery month shall be as first published by the Federal Reserve Bank of New York.

Such contract final settlement price shall be 100 minus the arithmetic average of the daily effective federal funds rate during the contract delivery month. For any day during the contract delivery month for which the Federal Reserve Bank of New York does not publish a rate (e.g., a weekend day or a US bank holiday), the rate for such day shall be the rate for the last preceding day for which a rate was published. Such arithmetic average value shall be rounded to the nearest one tenth of one basis point per annum. Tie values, i.e., any such arithmetic average value ending in 0.0005, shall be rounded up. (For example, an arithmetic average value of 2.5915 percent per annum would be rounded up to 2.592 percent per annum, and then subtracted from 100.000 to determine a contract final settlement price of 97.408.)