

Chapter 22 30-Day Federal Funds Futures

22100. SCOPE OF CHAPTER

This chapter is limited in application to futures trading of 30-Day Fed Fund futures. 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

The contract grade shall be 100 minus the average daily Fed Funds overnight rate for the delivery month. The average daily Fed Funds overnight rate is a simple average of the daily Fed Funds overnight rates as determined by the Federal Reserve Bank of New York. This simple average will be rounded to the nearest tenth of a basis point and rounded up in the case of a tie.

For days for which the Federal Reserve Bank of New York does not compute a rate (e.g., weekends and holidays), the rate shall be the rate determined on the last business day for which a rate was determined.

22102. TRADING SPECIFICATIONS

Trading in 30-Day Fed Fund futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

22102.A. Trading Schedule

The hours of trading for 30-Day Fed Fund futures shall be determined by the Exchange. On the last day of trading in an expiring future, the expiring future shall close at 4:00 p.m. Chicago time.

22102.B. Trading Unit

The unit of trading shall be interest on Fed Funds having a face value of \$5,000,000 or multiples thereof for one month calculated on a 30-day basis at a rate equal to the average overnight Fed Funds rate for the contract month.

22102.C. Price Increments¹

Prices will be quoted on an index basis: 100 minus the monthly average overnight Fed Funds rate (e.g., a rate of 6.50% is quoted at 93.50). For the nearest expiring contract month, the minimum price fluctuation shall be in increments of one-quarter of one-hundredth of one percent of five million dollars on a 30 day basis (\$10.4175 per one-quarter basis point), rounded up to the nearest cent. For all other contract months, the minimum price fluctuation shall be in increments of one-half of one-hundredth of one percent of five million dollars on a 30 day basis (\$20.835 per one-half basis point), rounded up to the nearest cent.

22102.D. Reserved

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22102.F. Termination of Trading

The last day of trading shall be the last business day of the delivery month. 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 22103.

22103. DELIVERY ON FUTURES CONTRACTS

Delivery against 30-Day Fed Fund futures contracts shall be made by cash settlement through the Clearing House following normal variation margin procedures. The final settlement price will be calculated on the business day that the Federal Reserve Bank of New York releases the overnight Fed Funds rate for the last day of trading. The final settlement price shall be 100 minus the average daily Fed Funds overnight rate for the delivery month. On the last day of trading open contracts will be marked to market based on the 2:00 p.m. futures price. A final mark to market will be made on the day the final settlement price is determined.

¹ Revised January 2009.

22104. STRIP TRANSACTIONS

A 30-Day Fed Fund futures strip transaction involving the simultaneous purchase or sale of an equal amount of futures contract months at a differential to the previous settlement prices is permitted subject to the general rules of the Exchange regarding spread trading.