

## Chapter 352

### Nikkei Stock Average Futures

#### 35200. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the Nikkei Stock Average. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### 35201. COMMODITY SPECIFICATIONS

Each futures contract shall be valued at \$5 times the Nikkei Stock Average. The Nikkei Stock Average is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

#### 35202. FUTURES CALL

##### 35202.A. Trading Schedule<sup>1</sup>

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

##### 35202.B. Trading Unit

The unit of trading shall be \$5 times the Nikkei Stock Average.

##### 35202.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 5 points, equivalent to \$25 per contract.

##### 35202.D. Position Limits<sup>2</sup>

A person shall not own or control more than 5,000 contracts net long or net short in all contract months combined.

##### 35202.E. Accumulation of Positions

For purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

##### 35202.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to arbitrage positions and inter-commodity spread positions subject to Rule 559.

##### 35202.G. Termination of Trading

Futures trading shall terminate at the close of trading on the business day immediately preceding the day of determination of the Final Settlement Price.

##### 35202.H. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract. If any U.S. governmental agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive, or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

##### 35202.I. Price Limits, Trading Halts, and/or Trading Hours

There shall be no trading at a price more than the Daily Price Limit above or below the previous day's settlement price, except that there shall be no Daily Price Limit in a contract on its last day of trading.

The Daily Price Limit shall be announced prior to the opening of trading in each calendar month. The Daily Price Limit shall be determined from the following table, based on the settlement price of

<sup>1</sup> Revised December 2001.

<sup>2</sup> Revised March 2004; May 2004.

the lead month futures contract on the last business day of the preceding month:

Lead Month Settlement	Daily Limit (Index points)
0 - 20,000	1,000
20,005 - 30,000	1,500
30,005 and up	2,000

### **35203. SETTLEMENT PROCEDURES**

Final settlement of the Nikkei Stock Average futures contract shall be by cash settlement.

#### **35203.A. Final Settlement Price**

The final settlement price shall be the special opening quotation of the Nikkei Stock Average which is used to settle the Nikkei Stock Average Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

#### **35203.B. Final Settlement <sup>3</sup>**

Clearing members holding open positions in a Nikkei Stock Average futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

### **35204. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

### **35205. - 06. [RESERVED]**

(End Chapter 352)

<sup>3</sup> Revised June 1992.