

## Chapter 356

### S&P 500/ CITIGROUP Value Index Futures

#### **35600. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the S&P 500/CITIGROUP Value Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **35601. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250.00 times the S&P 500/CITIGROUP Value Index. The S&P 500/CITIGROUP Value Index is a capitalization-weighted index of S&P 500 stocks which have the lowest price-to-book ratios and which account for approximately 50% of the total capitalization of S&P 500 stocks.

#### **35602. FUTURES CALL**

##### **35602.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 Board of Directors.

##### **35602.B. Trading Unit**

The unit of trading shall be \$250.00 times the S&P 500/CITIGROUP Value Index.

##### **35602.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500/CITIGROUP Value Index. The minimum fluctuation of the futures contract shall be .10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of .05 index points, for S&P 500/CITIGROUP Value Index futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **35602.D. Position Limits**

A person shall not own or control more than 20,000 futures contracts net long or net short in all contract months combined. For the purpose of this rule, a long or short position in S&P 500/CITIGROUP Value Index futures will be considered to be embedded in a long or short position in S&P 500 Stock Price Index futures.

For positions involving options on S&P 500/CITIGROUP Value Index futures, this rule is superseded by the option speculative position limit rule.

##### **35602.E. Accumulation of Positions**

For the 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.

##### **35602.F. Exemptions**

The foregoing position limits shall not apply to (1) bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange and (2) other positions exempted pursuant to Rule 559.

##### **35602.G. Termination of Trading**

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

##### **35602.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.

### 35602.I. Price Limits, Trading Halts, and/or Trading Hours

Daily price limits and trading halts of the S&P 500/CITIGROUP Value Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the futures contract trading in the lead month configuration in the pit and Exchange staff shall have the responsibility of determining whether the primary futures contract is limit offered.

For the first day of trading in a newly listed contract, 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:** There shall be Price Limits corresponding to a 10.0%, 20.0% and 30.0% decline below the Settlement Price of the preceding RTH session calculated as provided below.

The Price Limits shall be calculated at the beginning of each calendar quarter, based upon the average closing price of the current primary futures contract, during the month prior to the beginning of the quarter (P) and rounded, as follows.

5.0% Price Limit	equals	One half of the 10% Price Limit rounded down to nearest integral multiple of 1 index point
10.0% Price Limit	equals	10% of P rounded down to nearest integral multiple of 10 index points
20.0% Price Limit	equals	2 times the 10.0% Price Limit
30.0% Price Limit	equals	3 times the 10.0% Price Limit

When the primary futures contract is limit offered at the 10.0% 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.

When the primary futures contract is limit offered at the 20.0% 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.<sup>1</sup>

**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 S&P 500/CITIGROUP Value 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 S&P 500/CITIGROUP Value Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>2</sup>:** The opening time of trading on GLOBEX will be the same as the opening time of GLOBEX trading of S&P 500 contracts. In particular, the opening time of GLOBEX trading will be delayed until 6:00 p.m. if GLOBEX trading of S&P 500 contracts is delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of S&P 500/CITIGROUP Value 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

<sup>1</sup> Revised December 2007; January 2008.

<sup>2</sup> Revised December 2007; January 2009.

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.

### **35603. SETTLEMENT PROCEDURES**

Delivery under the S&P 500/CITIGROUP Value Index Futures contract shall be by cash settlement.

#### **35603.A. Final Settlement Price**

The Final Settlement Price shall be a special quotation of the S&P 500/Citigroup Value Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month.

If the S&P 500/Citigroup Value Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the President of the Exchange or his delegate determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the President or his delegate may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

#### **35603.B. Final Settlement**

Clearing members holding open positions in a S&P 500/CITIGROUP Value Index 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 margin procedures based on a settlement price equal to the final settlement price.

### **35604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

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

### **35605. - 06. [RESERVED]**

(End of Chapter 356)

## **INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 356**

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