

Chapter 357 NASDAQ 100 Index Futures

35700. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in the Nasdaq 100 Index. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

35701. COMMODITY SPECIFICATIONS ¹

Each futures contract shall be valued at \$100.00 times the Nasdaq 100 Index. The Nasdaq 100 Index is a modified capitalization weighted stock index of 100 of the largest non-financial stocks traded on the Nasdaq National Market.

35702. FUTURES CALL.

35702.A. Trading Schedule²

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.

35702.B. Trading Unit

The unit of trading shall be \$100.00 times the Nasdaq 100 Index.

35702.C. Price Increments ³

Bids and offers shall be quoted in terms of the Nasdaq 100 Index. The minimum fluctuation of the futures contract shall be 0.25 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of 0.05 index points, for Nasdaq 100 futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

35702.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For positions involving options on Nasdaq 100 Index futures, this rule is superseded by the option speculative position limit rule.

35702.E. Accumulation of Positions

For the purpose 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.

35702.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 shall not apply to arbitrage positions an inter-commodity spread positions subject to Rule 559.

35702.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.

35702.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.

35702.I. Price Limits, Trading Halts, and/or Trading Hours ⁴

Daily price limits and trading halts of the Nasdaq 100 Index futures contract shall be coordinated

¹ Revised December 1998.

² Revised December 2001.

³ Revised March 2000.

⁴ Revised July 1996; February 1997; October 1997; February 1998; April 1998; January 1999; May 2000; November 2000; May 2001; December 2007; January 2008.

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% 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, that limit shall apply until a corresponding limit for the E-mini Nasdaq 100 Index futures contract ceases to apply, pursuant to Rule 35902.I. If a two-minute trading halt follows for the E-mini Nasdaq 100 Index futures contract, trading in Nasdaq 100 Index futures also shall terminate for that two-minute period, 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, that limit shall apply until a corresponding limit for the E-mini Nasdaq 100 Index futures contract ceases to apply, pursuant to Rule 35902.I. If a two-minute trading halt follows for the E-mini Nasdaq 100 Index futures contract, trading in Nasdaq 100 Index futures also shall terminate for that two-minute period, after which time the market shall reopen. The 30% Price Limit shall apply to such reopening and shall represent the Total Daily Price Limit.

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 Nasdaq 100 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 Nasdaq 100 Index futures contract shall continue and the next applicable Price Limit shall apply.

Opening Time¹: 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 Nasdaq 100 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

¹ Revised February 1997; April 1998; April 2001; May 2001; December 2007; January 2009.

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.

35703. SETTLEMENT PROCEDURES

Delivery under the Nasdaq 100 Index futures contract shall be by cash settlement.

35703.A. Final Settlement Price¹

The Final Settlement Price shall be determined on the third Friday of the contract month or, if the Nasdaq 100 Index is not scheduled to be published for that day, on the first earlier day for which the Index is scheduled to be published.

The final settlement price shall be a Special Opening Quotation of the Nasdaq 100 Index to be determined by the Nasdaq Stock Market Inc. ("Nasdaq"). If the Nasdaq does not open on the day scheduled for the determination of the Final Settlement Price, then the Final Settlement Price shall be the Special Opening Quotation of the first subsequent day on which Nasdaq does open.

The Special Opening Quotation of the Nasdaq 100 Index shall be based on the Nasdaq Official Opening Price (NOOP) of Nasdaq 100 Index stocks.

If a component stock in the index does not trade after 8:30 a.m. and before 3:00 p.m. on the day scheduled for determination of the Final Settlement Price while Nasdaq is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the closing price of that stock on the preceding trading day. 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 NOOP 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.

35703.B. Final Settlement

Clearing members holding open positions in a Nasdaq 100 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 performance bond procedures based on a settlement price equal to the final settlement price.

35704. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

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(End Chapter 357)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 357

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¹ Revised December 1999; December 2001; Revised following June 2005 expiration

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