

## Chapter 366

### S&P 500/ Financial SPCTR™ Futures

#### **36600. SCOPE OF CHAPTER**

This chapter is limited in application to futures trading in the Standard & Poor's 500 Financial Sector Index (the "Index" or "S&P 500 Financial Sector Index"). The futures contract shall be referred to as S&P 500® Financial SPCTR™ futures. The procedures for trading, clearing, settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

#### **36601. COMMODITY SPECIFICATIONS**

Each futures contract shall be valued at \$250 times the S&P 500 Financial Sector Index. The S&P 500 Financial Sector Index is a broadly based, capitalization-weighted average of the components of the Standard & Poor's 500 that are included in the Financial Sector of the equity marketplace.

#### **36602. FUTURES CALL**

##### **36602.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, subject to the requirement that all such determinations and other actions implementing such determinations be submitted to the Commodity Futures Trading Commission in accordance with the provisions of Section 5a(a)(12)(A) of the Commodity Exchange Act and all Commission regulations thereunder.

##### **36602.B. Trading Unit**

The unit of trading shall be \$250 times the S&P 500 Financial Sector Index.

##### **36602.C. Price Increments**

Bids and offers shall be quoted in terms of the S&P 500 Financial Sector Index. The minimum fluctuation of the futures contract shall be 0.10 index points, equivalent to \$25.00 per contract. Trades may also occur in multiples of 0.05 index points per contract (\$12.50) for S&P 500 Financial SPCTR futures calendar spreads executed as simultaneous transactions pursuant to Rule 542.A.

##### **36602.D. Position Limits**

A person shall not own or control more than 12,500 contracts net long or net short in all contract months combined. For positions involving options on S&P 500 Financial SPCTR futures, this rule is superseded by the option speculative position limit rule.

##### **36602.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.

##### **36602.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.

##### **36602.G. Termination of Trading**

Futures trading shall terminate at the regularly scheduled start of trading at the NYSE on the day scheduled for the determination of the Final Settlement Price.

##### **36602.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.

##### **36602.I. Price Limits, Trading Halts and/or Trading Hours**

Daily price limits and trading halts of the S&P 500 Financial SPCTR futures contract shall be coordinated with trading halts of the underlying securities listed for trading in the securities markets.

For the purpose of this rule, the primary futures contract shall be defined as the nearest S&P 500 Financial SPCTR futures contract month. 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<sup>1</sup>:** 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.

**Trading Halts<sup>2</sup>:** 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 E-Mini S&P 500 Financial SPCTR 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 E-Mini S&P 500 Financial SPCTR Index futures contract shall continue and the next applicable Price Limit shall apply.

#### **36602.J. GLOBEX Opening Time and Price Limit**

**Opening Time:** 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 Financial SPCTR 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 halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if

<sup>1</sup> Revised December 2007.

<sup>2</sup> Revised December 2007; January 2008.

applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.<sup>1</sup>

### **36603. SETTLEMENT PROCEDURES**

Final settlement of the S&P 500 Financial SPCTR futures contract shall be by cash settlement.

#### **36603.A. Final Settlement Price**

The Final Settlement Price shall be a special quotation of the Standard & Poor's 500 Financial Sector 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 Financial Sector 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.

#### **36603.B. Final Settlement**

Clearing members holding open positions in a S&P 500 Financial SPCTR 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.

### **36604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

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

(End Chapter 366)

### **INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 366**

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), licenses the Exchange to use various S&P stock indices ("S&P Stock Indices") in connection with the trading of futures contracts and options on futures contracts based upon such indices. S&P shall have no liability for damages, claims, losses or expenses caused by any errors or delays in calculating or disseminating the S&P Stock Indices.

Standard & Poor's, a division of the McGraw–Hill Companies, Inc. ("S&P"), does not guarantee the accuracy and/or completeness of the S&P Stock Indices or any data included therein. S&P makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the S&P Stock Indices or any data included therein in connection with the trading of futures contracts, options on futures contracts and any other use. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Stock Indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.

<sup>1</sup> Revised December 2007; January 2009.

