

Chapter 402

CME Seasonal Strip Snowfall Index Futures

40200. SCOPE OF CHAPTER

This chapter is limited in application to trading on CME Seasonal Strip Snowfall Index Futures. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40201. COMMODITY SPECIFICATIONS

Daily snowfall is defined as the total snowfall recorded at a particular location between 12:01 A.M. and 12:00 A.M. midnight as reported by Earth Satellite Corporation.

Each particular CME Seasonal Strip Snowfall Index is defined as the accumulation of like snowfall values over a minimum of two, and a maximum of six, consecutive calendar months. The first calendar month in the strip may be November or later, and the last calendar month in the strip may be April or earlier. The accumulation period for each strip contract begins with the first calendar day of the contract month of the strip and ends with the last calendar day of the last month of the defined strip.

The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Weather Stations

New York Central Park (WBAN 94728)

Boston Logan International Airport (WBAN 14739)

40202. FUTURES CALL

40202.A. Trading Schedule

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

40202.B. Size of Trading Unit

The size of the unit of trading shall be \$200 times the respective CME Seasonal Strip Snowfall Index.

40202.C. Price Increments

The minimum price fluctuation on the respective CME Seasonal Strip Snowfall Index futures shall be 0.1 (one-tenth) index point and have a value of \$20. Each index point is equal to 1 inch of snowfall.

40202.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 For positions involving options on the respective CME Seasonal Strip Snowfall Index futures, this rule is superseded by the option speculative position limit rule.

40202.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.

40202.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 other positions exempted pursuant to Rule 543.

40202.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least two calendar days after the futures contract month.

40202.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts

must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME Seasonal Strip Snowfall Index futures 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 governmental orders.

40202.I [Reserved]

40203. SETTLEMENT PROCEDURES

40203.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Strip Snowfall Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the last calendar day of the last month of the defined strip. For example, on April 3, 2006, the November 2005 – March 2006 futures contract on the Boston CME Seasonal Strip Snowfall Index would have been settled at 38.30.

40203.B. Final Settlement

Clearing members holding open positions in a CME Seasonal Strip Snowfall Index futures contract at the 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.

40204. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

40205.-06. [RESERVED]

(End Chapter 402)