

Chapter 407

CME European Seasonal Strip HDD Index Futures

40700. SCOPE OF CHAPTER

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

40701. COMMODITY SPECIFICATIONS

1. Heating Degree Days (HDD)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location, as reported by MDA Information Systems, Inc.

- Amsterdam-Schiphol, Netherlands (WMO 06240): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Barcelona Prat De Llobregat Aeropuerto, Spain (WMO 08181): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Berlin-Tempelhof, Germany (WMO 10384): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- Essen, Germany (WMO 10410): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- London-Heathrow, United Kingdom (WMO 03772): Between 0900 UTC the current day and 0859 UTC the following day for Tmax, and between 0900 UTC the previous day and 0859 UTC the current day for Tmin
- Madrid Barajas Aeropuerto, Spain (WMO 08221): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Oslo-Blindern, Norway (WMO 01492): Between 0600 UTC the current day and 0559 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin.¹
- Paris-Orly, France (WMO 07149): Between 0600 UTC the current day and 0559 UTC the following day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Rome Ciampino, Italy (WMO 16239): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Stockholm-Observatoriet, Sweden (WMO 02485): Between 1800 UTC the previous day and 1759 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Prague, Ruzyně Czech Republic (WMO 11518): Between 2100 UTC the previous day and 2059 UTC the current day for Tmax, and between 2100 UTC the previous day and 2059 UTC the current day for Tmin

For each day, HDD is the greater of (1) zero, (2) 18 degrees Celsius ("C") minus the daily average temperature.

2. The CME European Seasonal Strip HDD Indexes

Each particular CME European Seasonal Strip HDD index is the accumulation of like Degree Days over a minimum of two, and a maximum of seven, consecutive calendar months. For a Heating Degree Days seasonal strip, the first calendar month in the strip may be October or later, and the last calendar month in the strip may be April or earlier. A separate futures contract shall be listed for each strip. The accumulation period of each CME European Seasonal Strip HDD begins with the first calendar day of the first month of the strip and ends with the last calendar day of the last month in the defined strip.

¹ Revised June 2008.

40702. FUTURES CALL**40702.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.

40702.B. Size of Trading Unit

The size of the unit of trading shall be 20 British pounds (pounds sterling) for London-Heathrow, or 20 Euros (€) for all other locations, times the respective CME European Seasonal Strip HDD Index.

40702.C. Price Increments

The minimum price fluctuation on the CME European Seasonal Strip HDD Index futures shall be 1 index point and have a value of 20 British pounds (pounds sterling) for London-Heathrow, or 20 Euros (€) for all other locations.

40702.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 position involving options on the respective CME European Seasonal Strip HDD Index futures, this rule is superseded by the option speculative position limit rule.

40702.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.

40702.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 559.

40702.G. Termination of Trading¹.**FOR CONTRACTS THROUGH APRIL 2012:**

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least five calendar days after the last calendar day of the last month of the defined strip.

FOR CONTRACTS BEGINNING OCTOBER 2012:

Futures trading shall terminate at 9:00 A.M. Chicago time on the fifth Exchange business day after the last calendar day of the last month of the defined strip.

40702.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 European Seasonal Strip HDD 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.

40702. I. [Reserved]**40703. SETTLEMENT PROCEDURES****40703.A. Final Settlement Price²****FOR CONTRACTS THROUGH APRIL 2012:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European Seasonal Strip HDD Index reported by MDA Information Systems, Inc. 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 five calendar days after the last calendar day of the last month of the defined strip. For example, on April 7, 2003, the November 2002 - March 2003 futures

¹ Revised October 2007; August 2011.

² Revised October 2007; August 2011.

contract on the CME Amsterdam-Schiphol Nov '02 – Mar '03 European Seasonal Strip HDD Index would have been settled at 1994.90 Heating Degree Days.

FOR CONTRACTS BEGINNING OCTOBER 2012:

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European Seasonal Strip HDD Index reported by MDA Information Systems, Inc. for that city for that contract period, using the methodology in effect on that date, on the fifth Exchange business day after the last calendar day of the last month of the defined strip. For example, on April 7, 2003, the November 2002 - March 2003 futures contract on the CME Amsterdam-Schiphol Nov '02 – Mar '03 European Seasonal Strip HDD Index would have been settled at 1994.90 Heating Degree Days.

40703.B. Final Settlement

Clearing members holding open positions in a CME European Seasonal Strip HDD 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.

40704. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

40705.-06. [RESERVED]

(End Chapter 407)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 407**

LIMITATION OF LIABILITY AND DISCLAIMER

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