

## Chapter 424

### CME Weekly Average Temperature Index Futures

#### 42400. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Weekly Average Temperature 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.

#### 42401. COMMODITY SPECIFICATIONS<sup>1</sup>

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin) recorded between midnight and 11:59 P.M. as reported by MDA Information Systems, Inc.

Each particular CME Weekly Average Temperature Index is the arithmetic average of daily average temperatures over a 5-weekday period. The accumulation period of each CME Weekly Average Temperature Index futures contract begins with Monday and ends with Friday of the same calendar week.

The temperature for a particular city is reported from a specific automated weather station. The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Automated Weather Stations

Atlanta Hartsfield International Airport (WBAN 13874)  
Baltimore/Washington International Airport (WBAN 93721)  
Boston Logan International Airport (WBAN 14739)  
Chicago O'Hare International Airport (WBAN 94846)  
Cincinnati Northern Kentucky (Covington) Airport (WBAN 93814)  
Colorado-Springs Municipal Airport (WBAN 93097)  
Dallas-Fort Worth International Airport (WBAN 03927)  
Des Moines International Airport (WBAN 14933)  
Detroit Metro Airport (WBAN 94847)  
Houston Bush Intercontinental Airport (WBAN 12960)  
Jacksonville International Airport (WBAN 13889)  
Kansas City International Airport (WBAN 03947)  
Las Vegas McCarran International Airport (WBAN 23169)  
Little Rock Adams Field (WBAN 13963)  
Los Angeles Downtown USC Campus (WBAN 93134)  
Minneapolis-St. Paul International Airport (WBAN 14922)  
New York La Guardia Airport (WBAN 14732)  
Philadelphia International Airport (WBAN 13739)  
Portland International Airport (WBAN 24229)  
Raleigh/Durham International Airport (WBAN 13722)  
Sacramento Executive Airport (WBAN 23232)  
Salt Lake City International Airport (WBAN 24127)  
Tucson International Airport (WBAN 23160)  
Washington/Reagan National Airport (WBAN 13743)

#### 42402. FUTURES CALL

##### 42402.A. Trading Schedule

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

<sup>1</sup> Revised June 2008.

**42402.B. Size of Trading Unit<sup>1</sup>**

The size of the unit of trading shall be \$100 times the respective CME Weekly Average Temperature Index.

**42402.C. Price Increments<sup>2</sup>**

The minimum price fluctuation on the respective CME Weekly Average Temperature Index futures shall be 0.1 (one-tenth) index points and have a value of \$10.

**42402.D. Position Limits**

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

**42402.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.

**42402.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.

**42402.G. Termination of Trading****FOR CONTRACTS THROUGH SEPTEMBER 2011:**

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the Friday of the defined week.

**FOR CONTRACTS BEGINNING OCTOBER 2011:**

Futures trading shall terminate at 9:00 A.M. Chicago time on the second Exchange business day after the Friday of the defined week.

**42402.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 Weekly Average Temperature 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.

**42402. I. [Reserved]****42403. SETTLEMENT PROCEDURES****42403.A. Final Settlement Price****FOR CONTRACTS THROUGH SEPTEMBER 2011:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Weekly Average Temperature Index reported by MDA Information Systems, Inc. for that city for that defined week, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the Friday of the defined week. For example, on August 14, 2006, the August 11, 2006 futures contract on the Chicago CME Weekly Average Temperature Index would have been settled at 75.6 Degrees.

**FOR CONTRACTS BEGINNING OCTOBER 2011:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Weekly Average Temperature Index reported by MDA Information Systems, Inc. for that city for that defined week, using the methodology in effect on that date, on the second

<sup>1</sup> Revised October 2008.

<sup>2</sup> Revised October 2008.

Exchange business days after the Friday of the defined week. For example, on August 15, 2006, the August 11, 2006 futures contract on the Chicago CME Weekly Average Temperature Index would have been settled at 75.6 Degrees.

**42403.B. Final Settlement**

Clearing members holding open positions in a CME Weekly Average Temperature 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.

**42404. ACTS OF GOD, ACTS OF GOVERNMENT, AND OTHER EMERGENCIES**

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

**42405.-06. [RESERVED]**

**INTERPRETATIONS AND SPECIAL NOTICES  
RELATING TO CHAPTER 424**

**LIMITATION OF LIABILITY AND DISCLAIMER**

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