

## Chapter 426

### CME Canadian Seasonal CAT Strip Index Futures

#### 42600. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Canadian Seasonal CAT Strip 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.

#### 42601. COMMODITY SPECIFICATIONS

##### 1. Cumulative Average Temperature (CAT)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), recorded between 0600 UTC the previous day and 0559 UTC the current day for Tmax, and between 0600 UTC the previous day and 0559 UTC the current day for Tmin for each location, as reported by MDA Information Systems, Inc.

Calgary International Airport (WMO 71877)

Edmonton International Airport (WMO 71123)

Montreal/Pierre Elliot Trudeau Airport (WMO 71627)

Toronto Pearson International Airport (WMO 71624)

Vancouver International Airport (WMO 71892)

Winnipeg International Airport (WMO 71852)

##### 2. The CME Canadian Seasonal CAT Strip Indexes

Each particular CME Canadian Seasonal CAT Strip index is the accumulation of like daily average temperatures over a minimum of two, and a maximum of seven, consecutive calendar months. For a seasonal strip involving a CAT, the first calendar month in the strip may be April or later, and the last calendar month in the strip may be October or earlier. A separate futures contract shall be listed for each strip. The accumulation period of each CME Canadian Seasonal CAT Strip Index begins with the first calendar day of the first month of the strip, and ends with the last calendar day of the last month of the strip.

#### 42602. FUTURES CALL

##### 42602.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.

##### 42602.B. Size of Trading Unit

The size of the unit of trading shall be C\$20 (Canadian Dollars) times the respective CME Canadian Seasonal CAT Strip Index.

##### 42602.C. Price Increments

The minimum price fluctuation on the CME Canadian Seasonal CAT Strip Index futures shall be 1 index point and have a value of C\$20 (Canadian Dollars).

##### 42602.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 Canadian Seasonal CAT Strip Index futures, this rule is superseded by the option speculative position limit rule.

##### 42602.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.

##### 42602.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.

**42602.G. Termination of Trading**

**FOR CONTRACTS THROUGH OCTOBER 2011:**

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 APRIL 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.

**42602.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 Canadian Seasonal CAT Strip 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.

**42602.I. [Reserved]**

**42603. SETTLEMENT PROCEDURES**

**42603.A. Final Settlement Price**

**FOR CONTRACTS THROUGH OCTOBER 2011:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Canadian Seasonal CAT Strip 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 October 5, 2006, the May 2006 – September 2006 futures contract on the CME Montreal May – September '06 Canadian Seasonal CAT Strip Index would have been settled at 2771.70 Degrees Celsius.

**FOR CONTRACTS BEGINNING APRIL 2012:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Canadian Seasonal CAT Strip 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 October 6, 2006, the May 2006 – September 2006 futures contract on the CME Montreal May – September '06 Canadian Seasonal CAT Strip Index would have been settled at 2771.70 Degrees Celsius.

**42603.B. Final Settlement**

Clearing members holding open positions in a CME Canadian Seasonal CAT Strip 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.

**42604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

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

**42605.-06. [RESERVED]**

(End Chapter 426)

**INTERPRETATIONS & SPECIAL NOTICES  
RELATING TO CHAPTER 426**

**LIMITATION OF LIABILITY AND DISCLAIMER**

MDA Information Systems, Inc. ("MDA", formerly "EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. MDA makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. MDA 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 Data. Without limiting any of the foregoing, in no event shall MDA have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.