

Chapter 451 13-week U.S. Treasury Bills Futures

45100. SCOPE OF CHAPTER

This chapter is limited in application to futures trading in 13-week (also known as "91-day" or "3-month") U.S. Treasury bills. The procedures for trading, clearing, inspection, delivery and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

45101. COMMODITY SPECIFICATIONS

Each futures contract shall be for 3-month (13-week) U.S. Treasury bills having a face value at maturity of \$1,000,000.

45102. FUTURES CALL ¹

45102.A. Trading Schedule²

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

45102.B. Trading Unit

The size of the unit of trading shall be United States Treasury bills having a face value at maturity of \$1,000,000.

45102.C. Price Increments

Prices shall be quoted in terms of the IMM index. (Example: A T-bill discount rate of 5.20 shall be quoted as 94.80.) Minimum price fluctuations of the IMM index shall be in multiples of .005 (\$12.50). The minimum fluctuation is equal to a one-half basis point. ³

45102.D. Position Limits

A person shall not own or control more than 5,000 contracts net long or net short in all contract months combined, except that in no event shall he own or control more than the numbers of contracts that correspond to fifteen percent of the announced auction amount of the 91-day U.S. Treasury Bill auction to which the contract settles in the lead month on or after the day two days prior to the delivery day. For positions involving options on 3-Month U.S. Treasury Bill futures, this rule is superseded by the option speculative position limit rule.

45102.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.

45102.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, except that lead month position limits shall apply to intercommodity spread positions.

45102.G. Termination of Trading

Futures trading shall terminate at 12:00 noon Chicago time on the business day of the 91-Day U.S. Treasury Bill auction in the week of the third Wednesday of the contract month.

45102.H. Contract Modifications

Specification shall be fixed as of the first day of trading of a contract except that all deliveries must conform to government regulations in force at the time of delivery. If any U.S. governmental

¹ Daily RTH price limits were eliminated effective December 19, 1985.

² Revised December 2001.

³ The IMM index is the difference between the actual T-bill yield and 100.00. A T-bill yield, or bank discount rate, is the difference between the face value of a T-bill and its market value on an annualized basis.

agency or body issues an order, ruling, directive or law pertaining to the trading, governmental auction, or delivery of U.S. Treasury bills, 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.

45103. SETTLEMENT PROCEDURES

Delivery under the 13–Week U.S. Treasury Bill futures shall be by cash settlement.

45103.A. Final Settlement Price

The final settlement price shall be 100 minus the highest discount rate accepted, rounded to the nearest 1/100th of a percentage point, in the U.S. Department of Treasury's 91–Day U.S. Treasury Bill auction in the week of the third Wednesday of the contract month. ⁴ Decimal fractions ending in 0.005% are rounded up. For example, a discount rate of 0.325% would be rounded to 0.33% and then subtracted from 100 to determine the final settlement price of 99.67. Alternatively, a discount rate of 0.3245% would be rounded to 0.32% and then subtracted from 100 to determine the final settlement price of 99.68.⁵

45103.B. Final Settlement

Clearing members holding open positions in a 13–Week U.S. Treasury Bill 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.

45103.C.-I. [Reserved]

45104.-05. [RESERVED]

45106. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

(End Chapter 451)

⁴ Revised October 1998.

⁵ Revised April 2009.