

## MARKET REGULATION ADVISORY NOTICE

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Exchange	CME, CBOT, NYMEX & COMEX
Subject	Post Close Session
Rule References	Rule 550
Advisory Date	August 28, 2009
Advisory Number	CME Group RA0906-5
Effective Date	September 14, 2009

This Advisory Notice supersedes CME Group Market Regulation Advisory Notice RA0905-5 issued on August 4. It is being issued to provide a Frequently Asked Questions ("FAQ") section with respect to the operation of the revised rule and to notify market participants that the revised rule will become effective on **Monday, September 14, 2009**. As of that date, CME, CBOT, NYMEX and COMEX will have completely harmonized rule language with respect to Rule 550. The complete text of revised Rule 550 appears below. The FAQ begins on page 2 of this Advisory Notice.

### **Rule 550. POST CLOSE SESSION**

As soon as practicable, trading may resume for a period of three minutes after the close of Regular Trading Hours for pit traded futures and designated options contracts. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. The post close session for related products shall commence simultaneously.

During the post close session, members are obligated to bid or offer any orders that were received prior to or after the close which are executable in the post close session.

Outright futures and options trades during the post close session may occur at any price, provided such price is within the daily limits for contracts with daily price limits.

Spreads or combination transactions during the post close session may occur at any price, provided that both legs are priced within the daily price limits for contracts with price limits.

The prices at which trades occur during the post close session may establish a new high or low in the outright contract month or spread or combination.

Except as otherwise specifically set forth in this rule, the rules applicable to trading during Regular Trading Hours shall be applicable to trading during the post close session.

## **Frequently Asked Questions**

### **Post Close Session**

**1. How long is the post close session?**

The post close session will last for three minutes.

**2. Is there a post close session in electronic trading?**

No. The post close session occurs only in designated **pit-traded** futures and options contracts.

**3. Which futures and options contracts have a post close session?**

The following pit-traded products have a post close session:

**CBOT** – All futures contracts, with the exception of CBOT Mini-sized agricultural futures, have a post close session. All agricultural options contracts also have a post close session, except on the last day of trading in the expiring option.

**CME** – All futures contracts have a post close session.

**NYMEX and COMEX** – All futures and options contracts have a post close session.

**4. What time does the post close session begin?**

The post close session will begin as soon as practicable after the close of Regular Trading Hours for the particular product. Such trading must begin within 15 minutes after the close of Regular Trading Hours unless a later start time is approved by an Exchange Official. Trading Floor Operations staff, in consultation with the Pit Committee, will determine when a pit is prepared to begin the post close session and will communicate the starting time of the post close session to the pit.

The post close session for a CBOT agricultural option contract will begin at the same time as the underlying futures contract. The post close session for Soybean, Soybean Oil and Soybean Meal futures will begin at the same time along with their corresponding options.

The post close session for each NYMEX and COMEX options contracts will begin at the same time as the underlying futures contract. The post close session for New York Harbor Gasoline Blendstock (RBOB), New York Harbor No. 2. Heating Oil and Light, Sweet Crude Oil futures will begin at the same time along with their corresponding options.

**5. For those futures and options contracts which have a post close session, what may be traded during the session?**

All listed futures and options contracts and all spreads and combinations are eligible to be traded during the post close session. Listed contracts which have not traded during the session or have not previously opened are eligible to be traded during the post close session.

**6. What prices are eligible to be traded during the post close session?**

Except as noted in question 7 below, outright futures and options trades during the post close session may be executed at any price, provided that the price is within the daily limits for contracts with daily price limits. Spreads and combinations may be transacted at any price, provided that both legs of the spread are priced within the daily price limits for

contracts with price limits. For contracts with variable price limits, the price limits in effect during the Regular Trading Hours session will apply to trading during that day's post close session.

**7. How do the equity index price limits apply to the prices at which equity index futures may be traded during the post close session?**

Trades in equity index futures during the post close session will be subject to a 5 percent upside and downside price limit based on that day's settlement price, provided, however, that the downside limit may not violate the downside daily price limit that was in effect at the time the market closed at 3:15 p.m. Central Time.

The 5 percent upside and downside limit is currently applicable to trading in equity index futures on CME Globex during non-pit trading hours. The application of the 5 percent upside and downside limit during the post close session will ensure that prices traded during the session do not occur at prices which will subsequently be ineligible to trade during the Extended Trading Hours session.

The additional application of the downside price limit in effect at the time the market closes at 3:15 p.m. is necessary to ensure that trading during the post close session does not occur at a price which, if allowed, would violate the existing downside daily price limit applicable to the contract during Regular Trading Hours.

**8. May a price traded during the post close session establish a new high or low in the outright contract month or spread or combination?**

Yes.

**9. Will trade prices during the post close session trigger the increase or decrease in daily price limits for those contracts with variable daily price limits?**

No. The determination of when contracts with variable daily price limits are increased or decreased is based solely on whether certain contract months close at limit bid or limit offer and not on any trading activity which occurs during the post close session.

**10. Are settlement prices derived using prices traded during the post close session?**

No. Activity during the post close session will not have any effect on the determination of settlement prices.

**11. May new orders be entered after the close of Regular Trading Hours for execution during the post close session?**

Yes.

**12. What is a member's obligation with respect to the handling of orders during the post close session?**

A member is obligated to bid or offer any orders which the member has accepted that are executable during the post close session. The member's obligation to exercise due diligence in the handling and execution of customers orders remains unchanged during the post close session.

**13. In those contracts for which CME Globex does not continue trading subsequent to the close of the pit traded market, are orders on CME Globex that were unfilled prior to the Globex close required to be entered for execution during the post close session?**

No. In those contracts for which Globex trading closes prior to the pit's post close session, orders entered for execution on Globex that remain unfilled at the close of the Globex session are not required to be entered for execution during the post close session. Firms and their customers are responsible for determining the venue in which to enter orders and the servicing arrangements associated with the handling of orders.

Questions regarding this advisory may be directed to the following individuals:

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