



## Special Executive Report

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*S-6267*

*June 8, 2012*

### **Basis Trade at Index Close (“BTIC”) Block Trades to be available for Dow Jones U.S. Real Estate Index futures.**

### **Daily Price Limit language is clarified for Dow Jones U.S. Real Estate futures.**

A Block Trade provision for Dow Jones U.S. Real Estate (“DJUSRE”) Index futures, Basis Trade at Index Close (“BTIC”), will be available effective Sunday, July 1, 2012 for trade date Monday, July 2, 2012.

Daily Price limit language for DJUSRE Index futures has also been clarified in CBOT rule 30102.D.

The BTIC Block Trade methodology allows market participants to execute a DJUSRE Index futures transaction as a basis trade relative to the underlying final daily index value for the DJUSRE index.

The two contra parties to the BTIC block trade may negotiate the basis level or price increment that will be applied to that trading day’s closing DJUSRE index value. The basis or price increment must be stated in standard size ticks. The standard tick size for DJUSRE Index futures contracts is equal to 0.10 index points. The Basis must be fair and reasonable, taking into account financing rates, expected dividend income, time remaining until the Equity Index futures contract expiration and any of the factors set forth in CBOT Rule 526.D., as applicable.

Following the close of the primary securities market, CME Clearing will wait 45 minutes after the close of the primary securities market and then reference the final daily cash index value disseminated by Dow Jones for the DJUSRE index. The basis or price increment will be used to adjust the final daily DJUSRE index value to determine the cleared DJUSRE index futures price. The cleared futures price calculated from the BTIC block trade will approximate the end of day fair market value for the DJUSRE Index futures contract.

The cleared futures price derived from a DJUSRE Index futures BTIC block trade requires a smaller price increment than the standard price increment for the DJUSRE Index futures contract. A smaller price increment is required because the underlying stock price index is reported to a two decimal place level of precision.

For example if the final daily index value for the DJUSRE index is equal to 240.18 index points and the BTIC basis was negotiated at -1.10 index points, then the cleared DJUSRE Index futures price would be equal to  $240.18 + (-1.10) = 239.08$ .

As shown in the prior example, the minimum price increment for a BTIC transaction will be 0.01 index points. The change in the minimum price increment or tick size is referenced in Rule 30102.C. in the appendix. A 0.01 tick increment for the BTIC futures price will eliminate a futures price rounding requirement that would introduce a positive futures price bias for one BTIC block trade market participant to the disadvantage of the other BTIC block trade market participant.

BTIC block trades in DJUSRE index Futures are required to comply with the Block Trade reporting requirements of CBOT Rule 526. As such, the market participants must meet the minimum contract threshold requirement as well as report both the block trade size and the futures contract basis within five minutes after agreeing to the terms of the BTIC block trade.

The minimum contract threshold for a DJUSRE index Futures BTIC block trade is 50 contracts. The final futures contract price will be determined approximately 45 minutes after the close of the primary securities market when the closing value of the underlying equity index is available.

The amendments to CBOT Rulebook Chapter 30 are included in the appendix to this Special Executive Report.

The CFTC submission on Basis Trade at Index Close ("BTIC") Block Trades and Daily Price Limit language clarification for Dow Jones U.S. Real Estate Index futures is forthcoming.

*If you have any questions regarding these rule amendments, please contact Mr. John Nyhoff, R&PD at 312-930-2310 or Ms. Lucy Wang, R&PD at 312-648-5478.*

## Appendix

### Chapter 30 CBOT<sup>®</sup> Dow Jones US Real Estate Index Futures<sup>1</sup>

(Additions are underlined and bolded and deletions are bracketed and struck out.)

#### 30100. SCOPE OF CHAPTER

This chapter is limited in application to CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate ("DJUSRE") Index futures. The procedures for trading, clearing, delivery and settlement of this contract not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

#### 30101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (as described in Rule 30104.) of the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index on the final settlement day (as described in Rule 30105.).

#### 30102. TRADING SPECIFICATIONS

Trading in Dow Jones U.S. Real Estate Index futures is regularly conducted in four months - March, June, September and December. The number of months open for trading at a given time shall be determined by the Exchange.

##### 30102.A. Trading Schedule

The hours for trading of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be determined by the Exchange. The market shall be opened and closed for all months simultaneously, or in such other manner the Exchange shall direct.

##### 30102.B. Trading Unit

The unit of trading shall be \$100.00 times the Dow Jones<sup>SM</sup> US Real Estate Index.

##### 30102.C. Price Increments

The price of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be quoted in index points. One index point is worth \$100.00. The minimum price fluctuation shall be one tenth of an index point per contract (\$10.00), except for Basis Trade at Index Close block trades where minimum price increments shall be 0.01. Contracts shall not be made on any other price basis.

##### 30102.D. Daily Price Limits<sup>2</sup>

Daily price limits and trading halts of the CBOT Dow Jones US Real Estate Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For purposes of this rule, the primary contract expiration month for CBOT Dow Jones US Real Estate Index futures contracts shall be defined as the futures contract that trades in the lead month configuration. Exchange staff shall have the responsibility of determining whether the primary contract expiration month is limit bid or limit offered.

For the first day of trading in a newly listed contract expiration month, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** For each calendar quarter, there shall be three successive price limits: Level 1, Level 2, and Level 3. The limit thresholds that define Levels 1, 2, and 3 shall be calculated at the beginning of the pertinent calendar quarter, using the average daily closing value of the DJUSRE Index [DJA-] for the calendar month prior to the beginning of such calendar quarter. The Level 1 limit threshold shall equal 10% of such average daily closing value, the Level 2 limit threshold shall equal 20% of such average daily closing value, and the Level 3 limit threshold shall equal 30% of such average daily closing value. Each

<sup>1</sup> "Dow Jones<sup>SM</sup>, is a service mark of Dow Jones & Company, Inc. and has been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT<sup>SM</sup>"). The CBOT's futures contracts based on the Dow Jones<sup>SM</sup> US Real Estate Index are not sponsored, endorsed, sold or promoted by Dow Jones<sup>SM</sup>, and Dow Jones<sup>SM</sup> makes no representation regarding the advisability of trading in such product.

<sup>2</sup> Revised December 2007; January 2008.

limit threshold shall be rounded down to the nearest one DJUSRE~~[ifty DJIA]~~ index points.

These three limit thresholds, so computed, shall remain in effect throughout the pertinent calendar quarter, until the next calculation. These limit thresholds shall be used to calculate price limits for each trading session within the pertinent calendar quarter, as follows:

Level 1 shall equal the settlement price of the preceding regular trading session minus the Level 1 limit threshold.

Level 2 shall equal the settlement price of the preceding regular trading session minus the Level 2 limit threshold.

Level 3 shall equal the settlement price of the preceding regular trading session minus the Level 3 limit threshold.

**Price Limits During Regular Trading Hours:** The following price limits and trading halts shall apply to open outcry and electronic trading, in the primary contract expiration month only, during the Exchange's regular trading hours. For purposes of this rule, "regular trading hours" are defined for CBOT Dow Jones US Real Estate Index futures to begin with the time of the open for open outcry trading in DJUSRE ~~[DJIA]~~ futures, and to end with the later of the time of the close of open outcry trading, or the conclusion of any daytime electronic trading session that is part of the same trading day.

(a) Level 1:

When the primary futures contract is limit offered at the Level 1 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(b) Level 2:

When the primary futures contract is limit offered at the Level 2 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(c) Level 3:

The Level 3 price limit shall be in effect during all regular trading hours.

In the event that trades on the electronic trading platform occur through the price limits described above, any such trades may be busted by the Exchange.

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the CBOT Dow Jones US Real Estate Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the DJUSRE Index ~~[Dow Jones Industrial Average]~~, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the CBOT Dow Jones ~~[DJIA (DJIA)]~~ US Real Estate Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time**<sup>3</sup>: If either a trading halt was in effect or the primary futures contract was locked at a limit at the close of trading, then the opening time of trading on GLOBEX® shall be delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of CBOT Dow Jones US Real Estate Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

T 5.0% Price Limit shall be calculated as one-half of the Level 1 or 10% price limit rounded down to the nearest integral multiple of 1~~[40]~~ index points.

### 30102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of 5,000 contracts net long or short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions.

<sup>3</sup> Revised January 2009.

**30102.F. Termination of Trading<sup>4</sup>**

Futures trading shall terminate at the regularly scheduled start of trading at the NYSE on the day scheduled for the determination of the Final Settlement Day.

After trading in contracts for future delivery in the current delivery month has ceased outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 30103.

**30103. DELIVERY ON FUTURES CONTRACTS**

Delivery against the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 30105.) and shall be accomplished by cash settlement as hereinafter provided.

Clearing members holding open positions in a CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contract at the time of termination of trading shall make payment to, and receive payment through, the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 30104. ).

The final settlement price shall be determined on the final settlement day. The final settlement price shall be \$100 times a Special Opening Quotation (SOQ) of the Dow Jones<sup>SM</sup> US Real Estate Index based on the opening prices of the component stocks in the index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement (as described in Rule 30105. ).

If a component stock does not trade on the day scheduled for determination of the final settlement price while the primary market for the stock is open for trading, the last sale price of the stock will be used to calculate the final settlement price.

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**30104. FINAL SETTLEMENT PRICE****30105. FINAL SETTLEMENT DAY****30106. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

The final settlement day shall be defined as the third Friday of the contract month, or if the Dow Jones<sup>SM</sup> US Real Estate Index is not scheduled to be published for that day, the first preceding business day for which the Dow Jones<sup>SM</sup> US Real Estate Index is scheduled to be published.

(See Rule 701.).

**30107. Basis Trade at Index Close (“BTIC”) Transactions**

A Basis Trade at Index Close (“BTIC”) Transaction is a futures transaction on Dow Jones<sup>SM</sup> US Real Estate Index that is priced with reference to the Dow Jones<sup>SM</sup> US Real Estate cash index close.

The futures price assigned to a BTIC Transaction shall be based on the current day’s Dow Jones<sup>SM</sup> US Real Estate cash index close price, or the current day’s Dow Jones<sup>SM</sup> US Real Estate cash index close price adjusted by any valid price increment (the “Basis”) higher or lower than the applicable Dow Jones<sup>SM</sup> US Real Estate cash index close price. The Basis must be fair and reasonable, taking into account financing rates, expected dividend income, time remaining until the Equity Index futures contract expiration and any of the factors set forth in Rule 526.D., as applicable.

**30107.A. BTIC Block Trade Requirements**

BTIC Transactions in Dow Jones<sup>SM</sup> US Real Estate Index futures may be executed as block trades pursuant to the requirements of Rule 526. Both the block trade quantity and the valid price increment (the “Basis”) for BTIC block trades must be reported within five minutes of the agreement of the parties to execute the trade in accordance with Rule 526.F.

In addition to complying with the reporting requirements set forth above, BTIC block trades for BTIC-eligible Equity Index futures must be reported to the Exchange at least 10 minutes prior to the scheduled close of the underlying primary securities market to establish the BTIC futures price on the current trading day. The BTIC futures price for BTIC-eligible Equity Index futures orders that are not reported to the Exchange at least 10

<sup>4</sup> Revised February 2008.

minutes prior to the scheduled close of the underlying primary securities market shall be based on the index close price for the next available trading day for the primary securities market.

### **30107.B. Price Assignment Procedure for BTIC Futures**

The futures price of a BTIC Transaction will be determined by the Exchange at 3:45 p.m. Central time and the Exchange determined price will be deemed final at that time. In the event of an early scheduled close of the primary securities market, the futures price of a BTIC Transaction will be determined by the Exchange 45 minutes after the early scheduled close time for the primary securities market and the Exchange determined price will be deemed final at that time.

### **30107.C. BTIC Orders Minimum Price Increment**

(Refer to Rule 30102.C.- Trading Specifications — Price Increments). The valid Basis or Price Increment applied to the index close price to establish the BTIC futures price must be stated in full tick increments, e.g. 0.10 index points.

### **36906.C. BTIC Orders Prohibited on Last Day of Trading**

BTIC orders for BTIC-eligible Equity Index futures may not be initiated on the last day of trading in an expiring contract.

### **36906.D. Market Disruption Events**

In the event of an equity market disruption in the primary securities market, a BTIC-eligible Equity Index futures block trade order shall be cancelled. Equity market disruption events shall be declared at the sole discretion of the Exchange. Equity market disruptions may include, but are not limited to:

1. an unscheduled early closure for the day of the primary equity securities market, or
2. the occurrence of a Level 3 NYSE Rule 80B trading halt that requires an early closure of the primary securities market.

### **30108[7]. DISCLAIMER**

CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures are not sponsored, endorsed, sold or promoted by Dow Jones. Dow Jones makes no representation or warranty, express or implied, to the owners of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts or any member of the public regarding the advisability of trading in CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts. Dow Jones' only relationship to the Exchange is the licensing of certain trademarks and trade names of Dow Jones<sup>SM</sup> and of the Dow Jones<sup>SM</sup> US Real Estate Index which is determined, composed and calculated by Dow Jones without regard to the Chicago Board of Trade or CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts. Dow Jones has no obligation to take the needs of the Chicago Board of Trade or the owners of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts into consideration in determining, composing or calculating the Dow Jones<sup>SM</sup> US Real Estate Index. Dow Jones is not responsible for and has not participated in the determination of the timing of, prices of, or quantities of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts to be listed or in the determination or calculation of the equation by which CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts are to be converted into cash. Dow Jones has no obligation or liability in connection with the administration, marketing or trading of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts.

DOW JONES DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE DOW JONES<sup>SM</sup> US REAL ESTATE INDEX OR ANY DATA INCLUDED THEREIN AND DOW JONES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. DOW JONES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE CHICAGO BOARD OF TRADE, OWNERS OF CBOT<sup>®</sup> DOW JONES<sup>SM</sup> US REAL ESTATE INDEX FUTURES CONTRACTS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE DOW JONES<sup>SM</sup> US REAL ESTATE INDEX OR ANY DATA INCLUDED THEREIN. DOW JONES 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

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## Chapter 30

### CBOT<sup>®</sup> Dow Jones US Real Estate Index Futures<sup>5</sup>

#### 30100. SCOPE OF CHAPTER

This chapter is limited in application to CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate ("DJUSRE") Index futures. The procedures for trading, clearing, delivery and settlement of this contract not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

#### 30101. CONTRACT SPECIFICATIONS

The contract grade shall be the final settlement price (as described in Rule 30104.) of the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index on the final settlement day (as described in Rule 30105.).

#### 30102. TRADING SPECIFICATIONS

Trading in Dow Jones U.S. Real Estate Index futures is regularly conducted in four months - March, June, September and December. The number of months open for trading at a given time shall be determined by the Exchange.

##### 30102.A. Trading Schedule

The hours for trading of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be determined by the Exchange. The market shall be opened and closed for all months simultaneously, or in such other manner the Exchange shall direct.

##### 30102.B. Trading Unit

The unit of trading shall be \$100.00 times the Dow Jones<sup>SM</sup> US Real Estate Index.

##### 30102.C. Price Increments

The price of CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures shall be quoted in index points. One index point is worth \$100.00. The minimum price fluctuation shall be one tenth of an index point per contract (\$10.00), except for Basis Trade at Index Close block trades where minimum price increments shall be 0.01. Contracts shall not be made on any other price basis.

##### 30102.D. Daily Price Limits<sup>6</sup>

Daily price limits and trading halts of the CBOT Dow Jones US Real Estate Index futures contract shall be coordinated with trading halts of the underlying stocks listed for trading in the securities markets.

For purposes of this rule, the primary contract expiration month for CBOT Dow Jones US Real Estate Index futures contracts shall be defined as the futures contract that trades in the lead month configuration. Exchange staff shall have the responsibility of determining whether the primary contract expiration month is limit bid or limit offered.

For the first day of trading in a newly listed contract expiration month, there will be an implied previous business day's settlement price, created by the Exchange for the sole purpose of establishing price limits. The implied settlement price will be created by extrapolating the annualized percentage carry between the two contract months immediately prior to the newly listed contract.

**Price Limits:** For each calendar quarter, there shall be three successive price limits: Level 1, Level 2, and Level 3. The limit thresholds that define Levels 1, 2, and 3 shall be calculated at the beginning of the pertinent calendar quarter, using the average daily closing value of the DJUSRE Index for the calendar month prior to the beginning of such calendar quarter. The Level 1 limit threshold shall equal 10% of such average daily closing value, the Level 2 limit threshold shall equal 20% of such average daily closing value, and the Level 3 limit threshold shall equal 30% of such average daily closing value. Each limit threshold shall be rounded down to the nearest one DJUSRE index points.

These three limit thresholds, so computed, shall remain in effect throughout the pertinent calendar quarter, until the next calculation. These limit thresholds shall be used to calculate price limits for each trading session within the pertinent calendar quarter, as follows:

<sup>5</sup> "Dow Jones<sup>SM</sup>, is a service mark of Dow Jones & Company, Inc. and has been licensed for use for certain purposes by the Board of Trade of the City of Chicago, Inc. ("CBOT<sup>SM</sup>"). The CBOT's futures contracts based on the Dow Jones<sup>SM</sup> US Real Estate Index are not sponsored, endorsed, sold or promoted by Dow Jones<sup>SM</sup>, and Dow Jones<sup>SM</sup> makes no representation regarding the advisability of trading in such product.

<sup>6</sup> Revised December 2007; January 2008.

Level 1 shall equal the settlement price of the preceding regular trading session minus the Level 1 limit threshold.

Level 2 shall equal the settlement price of the preceding regular trading session minus the Level 2 limit threshold.

Level 3 shall equal the settlement price of the preceding regular trading session minus the Level 3 limit threshold.

**Price Limits During Regular Trading Hours:** The following price limits and trading halts shall apply to open outcry and electronic trading, in the primary contract expiration month only, during the Exchange's regular trading hours. For purposes of this rule, "regular trading hours" are defined for CBOT Dow Jones US Real Estate Index futures to begin with the time of the open for open outcry trading in DJUSRE futures, and to end with the later of the time of the close of open outcry trading, or the conclusion of any daytime electronic trading session that is part of the same trading day.

(a) Level 1:

When the primary futures contract is limit offered at the Level 1 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(b) Level 2:

When the primary futures contract is limit offered at the Level 2 Price Limit, a 10-minute period shall commence. If the primary futures contract is limit offered at the end of the 10-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable price Limit shall apply to such reopening.

(c) Level 3:

The Level 3 price limit shall be in effect during all regular trading hours.

In the event that trades on the electronic trading platform occur through the price limits described above, any such trades may be busted by the Exchange.

**Trading Halts:** If there is an NYSE Rule 80B trading halt declared in the primary securities market, trading shall be halted. Once trading in the primary securities market resumes after an NYSE Rule 80B trading halt, trading on the CBOT Dow Jones US Real Estate Index futures contract shall resume.

If an NYSE Rule 80B trading halt becomes inapplicable, the corresponding Price Limit shall likewise become inapplicable. E.g., if an NYSE Rule 80B trading halt, triggered by a 10% or a 20% decline in the DJUSRE, has been declared in the primary securities market, and trading in the primary securities market has recommenced, then the 10.0% or 20.0% Price Limits shall become inapplicable, respectively. E.g., when the NYSE Rule 80B 10.0% price limit provisions are suspended after 2:30 p.m. Eastern time, then the 10.0% Price Limit shall become inapplicable. Trading on the CBOT Dow Jones US Real Estate Index futures contract shall continue and the next applicable Price Limit shall apply.

**Opening Time<sup>7</sup>:** If either a trading halt was in effect or the primary futures contract was locked at a limit at the close of trading, then the opening time of trading on GLOBEX® shall be delayed until 6:00 p.m.

During Electronic Trading Hours (ETH), there shall be no trading of CBOT Dow Jones US Real Estate Index futures at a price more than the 5.0% Price Limit above or below the Reference RTH Price. If the market is limit bid or limit offered fifteen (15) minutes prior to the opening of the RTH, and remains limit bid or limit offered five (5) minutes prior to the opening of the RTH, there shall be a trading halt in effect until the commencement of Regular Trading hours (RTH). During the trading halt, the Exchange shall provide an indicative opening price for the re-opening of trading on GLOBEX, if applicable, pursuant to Rule 573. Once RTH commences, the next applicable trading limit shall be in effect.

The 5.0% Price Limit shall be calculated as one-half of the Level 1 or 10% price limit rounded down to the nearest integral multiple of 1 index points.

### 30102.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of 5,000 contracts net long or short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions.

### 30102.F. Termination of Trading<sup>8</sup>

Futures trading shall terminate at the regularly scheduled start of trading at the NYSE on the day scheduled for the determination of the Final Settlement Day.

<sup>7</sup> Revised January 2009.

<sup>8</sup> Revised February 2008.

After trading in contracts for future delivery in the current delivery month has ceased outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 30103.

### **30103. DELIVERY ON FUTURES CONTRACTS**

Delivery against the CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contracts must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 30105.) and shall be accomplished by cash settlement as hereinafter provided.

Clearing members holding open positions in a CBOT<sup>®</sup> Dow Jones<sup>SM</sup> US Real Estate Index futures contract at the time of termination of trading shall make payment to, and receive payment through, the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 30104. ).

### **30104. FINAL SETTLEMENT PRICE**

The final settlement price shall be determined on the final settlement day. The final settlement price shall be \$100 times a Special Opening Quotation (SOQ) of the Dow Jones<sup>SM</sup> US Real Estate Index based on the opening prices of the component stocks in the index, or on the last sale price of a stock that does not open for trading on the regularly scheduled day of final settlement (as described in Rule 30105. ).

If a component stock does not trade on the day scheduled for determination of the final settlement price while the primary market for the stock is open for trading, the last sale price of the stock will be used to calculate the final settlement price.

### **30105. FINAL SETTLEMENT DAY**

The final settlement day shall be defined as the third Friday of the contract month, or if the Dow Jones<sup>SM</sup> US Real Estate Index is not scheduled to be published for that day, the first preceding business day for which the Dow Jones<sup>SM</sup> US Real Estate Index is scheduled to be published.

### **30106. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES**

(See Rule 701.).

### **30107. Basis Trade at Index Close (“BTIC”) Transactions**

A Basis Trade at Index Close (“BTIC”) Transaction is a futures transaction on Dow Jones<sup>SM</sup> US Real Estate Index that is priced with reference to the Dow Jones<sup>SM</sup> US Real Estate cash index close.

The futures price assigned to a BTIC Transaction shall be based on the current day’s Dow Jones<sup>SM</sup> US Real Estate cash index close price, or the current day’s Dow Jones<sup>SM</sup> US Real Estate cash index close price adjusted by any valid price increment (the “Basis”) higher or lower than the applicable Dow Jones<sup>SM</sup> US Real Estate cash index close price. The Basis must be fair and reasonable, taking into account financing rates, expected dividend income, time remaining until the Equity Index futures contract expiration and any of the factors set forth in Rule 526.D., as applicable.

#### **30107.A. BTIC Block Trade Requirements**

BTIC Transactions in Dow Jones<sup>SM</sup> US Real Estate Index futures may be executed as block trades pursuant to the requirements of Rule 526. Both the block trade quantity and the valid price increment (the “Basis”) for BTIC block trades must be reported within five minutes of the agreement of the parties to execute the trade in accordance with Rule 526.F.

In addition to complying with the reporting requirements set forth above, BTIC block trades for BTIC-eligible Equity Index futures must be reported to the Exchange at least 10 minutes prior to the scheduled close of the underlying primary securities market to establish the BTIC futures price on the current trading day. The BTIC futures price for BTIC-eligible Equity Index futures orders that are not reported to the Exchange at least 10 minutes prior to the scheduled close of the

underlying primary securities market shall be based on the index close price for the next available trading day for the primary securities market.

### **30107.B. Price Assignment Procedure for BTIC Futures**

The futures price of a BTIC Transaction will be determined by the Exchange at 3:45 p.m. Central time and the Exchange determined price will be deemed final at that time. In the event of an early scheduled close of the primary securities market, the futures price of a BTIC Transaction will be determined by the Exchange 45 minutes after the early scheduled close time for the primary securities market and the Exchange determined price will be deemed final at that time.

### **30107.C. BTIC Orders Minimum Price Increment**

(Refer to Rule 30102.C.- Trading Specifications — Price Increments). The valid Basis or Price Increment applied to the index close price to establish the BTIC futures price must be stated in full tick increments, e.g. 0.10 index points.

### **36906.C. BTIC Orders Prohibited on Last Day of Trading**

BTIC orders for BTIC-eligible Equity Index futures may not be initiated on the last day of trading in an expiring contract.

### **36906.D. Market Disruption Events**

In the event of an equity market disruption in the primary securities market, a BTIC-eligible Equity Index futures block trade order shall be cancelled. Equity market disruption events shall be declared at the sole discretion of the Exchange. Equity market disruptions may include, but are not limited to:

1. an unscheduled early closure for the day of the primary equity securities market, or
2. the occurrence of a Level 3 NYSE Rule 80B trading halt that requires an early closure of the primary securities market.

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