CME Group

A CME/Chicago Board of Trade/NYMEX Company

Equity Product Spreading Conventions

The excerpt below is a guide to the conventions used to trade equity future spreads on the CME Globex platform.

EQ Calendar Spreads

The Equity (EQ) calendar spreads consist of two contracts within a single Equities instrument group with different maturity months. Buying one calendar means selling one front month leg and buying one back month leg. This is a – 1: +1 ratio spread.

Products: **Equity Products**
Construction: **Sell1exp1 Buy1exp2**

Examples:

Buy one spread ESM9-ESU9

Sell one June 2009 E-mini S&P 500 future and
Buy one September 2009 E-mini S&P 500 future

Sell one spread ESM9-ESU9

Buy one June 2009 E-mini S&P 500 future and
Sell one September 2009 E-mini S&P 500 future

Leg Assignment

1. CME Globex anchors the Leg1 price assignment (nearby month) with the previous day's settlement price.

2. CME Globex applies the spread price to the anchor leg price and assigns the net result to the other leg price.

Example: E-mini S&P 500 Futures

- The June-Dec Calendar future traded at a price of -4.00.
- The June outright previous day's settlement price was 1000.50.
- CME Globex assigns the June leg price as follows:

June leg (1000.50) + Spread (-4.50) = 995.50 (Sep leg assignment)

Questions? Contact the Equity Products Team

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