

## WEATHER PRODUCTS

# Rainfall Futures and Options

Announcing more ways for traders to protect against the elements.

### Overview

From agriculture, to tourism, to state and local governments, rainfall influences operational decision making at nearly every level — affecting prices, scheduling, inventory and even forcing businesses to temporarily close. With new Rainfall futures and options on futures from CME Group, market participants now have access to a wide array of products covering benchmark rainfall indexes and seasonal rainfall totals. Now available in 10 locations across the United States, these contracts greatly expand the existing suite of CME Group weather products and allow traders to manage risk and access profit opportunity with increased flexibility and the security of a highly regulated marketplace.

### Rainfall Index Futures

Cash-settled and traded on the CME Globex electronic platform, these contracts give the holder price certainty by representing the obligation to buy or sell a specified number of shares of the Rainfall Index on a specified date.

### Rainfall Index Options on Futures

European-style options traded via open outcry, these contracts give the holder added flexibility by representing the option to buy (in the case of a call) or to sell (in the case of a put) one Rainfall Index future on a specified date and at a specified price.

### Rainfall Index Binary Options

American-style options traded via open outcry, these contracts provide enhanced risk management to businesses and other operations if rainfall is more or less than anticipated by providing the options holder with a fixed dollar payout upon exercise. If the option expires without being exercised, the holder's losses are limited to the amount paid for the option.

### Seasonal Strip Rainfall Futures

Cash-settled and traded on the CME Globex electronic platform, these contracts give the holder price certainty by representing the obligation to buy or sell a specified number of shares of the Seasonal Strip Rainfall Index on a specified date.

### Seasonal Strip Rainfall Options on Futures

European-style options traded via open outcry, these contracts give the holder added flexibility by representing the option to buy (in the case of a call) or to sell (in the case of a put) one respective Seasonal Strip Rainfall future on a specified date and at a specified price.

### Seasonal Strip Rainfall Binary Options

American-style options traded via open outcry, these contracts provide enhanced risk management to businesses and other operations if rainfall is more or less than anticipated during the period indicated on the strip by providing the options holder with a fixed dollar payout upon exercise. If the option expires without being exercised, the holder's losses are limited to the amount paid for the option.

### Rainfall contracts offered in ten locations:

- Chicago O'Hare International Airport
- Dallas-Fort Worth International Airport
- Des Moines International Airport
- Detroit Metro Airport
- Jacksonville International Airport
- Los Angeles Downtown USC Campus
- New York LaGuardia Airport
- Portland International Airport
- Raleigh/Durham International Airport
- Kansas City International Airport

### Benefits

- Possible reduced risk
- Centralized clearing and counterparty credit guaranteed by CME Clearing
- Increased opportunity to focus on core businesses
- Stabilized cash flow and earnings
- Opportunity to profit from uncertainty of weather

# RAINFALL INDEX FUTURES AND OPTIONS

FUTURES	
Contract Size	\$500 times the respective CME Rainfall Index
Product Description	Rainfall (inches) for US Cities
Pricing Unit	Dollars per index point (1 index point = 1 inch of rainfall)
Tick Size (minimum fluctuation)	0.1 index point (= \$50 per contract)
Daily Price Limits	N/A
Trading Hours (All times listed are Central Time)	GLOBEX (Electronic Platform) Sun 5:00 p.m. – Fri 3:15 p.m. Daily trading halts 3:15 p.m. – 5:00 p.m.
Last Trade Date and Time	First business day that is at least two calendar days after the end of the contract month, 9:00 a.m.
Contract Months	Mar, Apr, May, Jun, Jul, Aug, Sep, Oct
Settlement Procedure	Cash settlement; See CME Rule 44103.
Position Limits	All months combined: 10,000 contracts; See CME Rule 44102.D.
Ticker Symbols	GLOBEX (Electronic platform) Chicago O'Hare International CJR Dallas-Fort Worth International WR Los Angeles Downtown USC Campus AR Des Moines International MR Detroit Metro VL Portland International PR New York LaGuardia YA Raleigh/Durham International DF Jacksonville International LF Kansas City International KC
Rulebook Chapter	441
OPTIONS	
Underlying Contract Size	One CME Rainfall Index Futures Contract
Pricing Unit	Dollars per index point
Tick Size (minimum fluctuation)	Full Tick = 0.1 Index Point (= \$50 per contract)
Daily Price Limits	N/A
Trading Hours (All times listed are Central Time)	OPEN OUTCRY (Trading floor) Mon – Fri: 8:30 a.m. – 3:15 p.m.
Last Trade Date and Time	First business day that is at least two calendar days after the end of the contract month, 9:00 a.m.
Contract Months	Mar, Apr, May, Jun, Jul, Aug, Sep, Oct
Strike Price Intervals	0.1 index point in a range of 0 to 50 index points; See CME Rule 441A01.E.
Exercise Procedure	European-style; See CME Rule 441A02.
Position Limits	All months combined: 10,000 futures-equivalent contracts; See CME Rule 441A01.F.
Ticker Symbols	Chicago O'Hare International CJR Dallas-Fort Worth International WR Los Angeles Downtown USC Campus AR Des Moines International MR Detroit Metro VL Portland International PR New York LaGuardia YA Raleigh/Durham International DF Jacksonville International LF Kansas City International KC
Rulebook Chapter	441A

# SEASONAL STRIP RAINFALL INDEX

FUTURES	
Contract Size	\$500 times the respective Seasonal Strip Rainfall Index
Product Description	Rainfall (inches) for U.S. Cities
Pricing Unit	Dollars per index point
Tick Size (minimum fluctuation)	0.1 index point (= \$50 per contract)
Daily Price Limits	N/A
Trading Hours (All times listed are Central Time)	GLOBEX (Electronic platform) Sun 5:00 p.m. – Fri 3:15 p.m. Daily trading halts 3:15 p.m. – 5:00 p.m.
Last Trade Date & Time	First business day that is at least two calendar days after the end of the last calendar month in the strip, 9:00 a.m.
Contract Months	Minimum of two, and maximum of eight, consecutive calendar months, Mar – Oct
Settlement Procedure	Cash settlement; See CME Rule 44203.
Position Limits	All months combined: 10,000 contracts; See CME Rule 44202.D.
Ticker Symbols	GLOBEX (Electronic platform) Chicago O'Hare International CR Dallas-Fort Worth International WR Los Angeles Downtown USC Campus AR Des Moines International MR Detroit Metro VL Portland International PR New York LaGuardia YA Raleigh/Durham International DF Jacksonville International LF Kansas City International KC
Rulebook Chapter	442
OPTIONS	
Underlying Contract	One Seasonal Strip Rainfall Index Futures Contract
Pricing Unit	Dollars per index point
Tick Size (minimum fluctuation)	Full Tick = 0.1 Index Point (= \$50 per contract)
Daily Price Limits	N/A
Trading Hours (All times listed are Central Time)	OPEN OUTCRY (Trading floor) Mon – Fri: 8:30 a.m. – 3:15 p.m.
Last Trade Date and Time	First business day that is at least two calendar days after the end of the last calendar month in the strip, 9:00 a.m.
Contract Months	Minimum of two, and maximum of eight, consecutive calendar months, Mar – Oct
Strike Price Intervals	0.1 index point in a range of 0 to 60 index points; See CME Rule 442A01.E.
Exercise Procedure	European-style; See CME Rule 442A02.
Position Limits	All months combined: 10,000 futures-equivalent contracts; See CME Rule 442A01.F.
Ticker Symbols	Chicago O'Hare International CR Dallas-Fort Worth International WR Los Angeles Downtown USC Campus AR Des Moines International MR Detroit Metro VL Portland International PR New York LaGuardia YA Raleigh/Durham International DF Jacksonville International LF Kansas City International KC
Rulebook Chapter	442A

Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

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## RAINFALL INDEX BINARY OPTIONS

BINARY OPTIONS																					
Underlying Contract Size	One Rainfall Index Futures Contract																				
Pricing Unit	\$10,000																				
Tick Size (minimum fluctuation)	Full Tick = 0.1 Index Point (= \$100 per contract); Quoted in points, in a range between 0 and 100 points																				
Daily Price Limits	N/A																				
Trading Hours (All times listed are Central Time)	OPEN OUTCRY (Trading Floor) <span style="float: right;">Mon – Fri: 8:30 a.m. – 3:15 p.m.</span>																				
Last Trade Date and Time	First business day that is at least two calendar days after the end of the last calendar month, 9:00 a.m.																				
Contract Months	N/A																				
Strike Price Intervals	0.1 index point in a range of 0 to 50 index points; See CME Rule 441B02.E.																				
Exercise Procedure	American-style; See CME Rule 441B03.																				
Position Limits	All months combined: 10,000 futures-equivalent contracts; See CME Rule 441B02.F.																				
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Rulebook Chapter	441B																				

## SEASONAL STRIP RAINFALL INDEX BINARY OPTIONS

BINARY OPTIONS																					
Underlying Contract	One Seasonal Strip Rainfall Futures Contract																				
Trading Unit	\$10,000																				
Tick Size (minimum fluctuation)	Full Tick = 0.01 Index Point (= \$100 per contract); Quoted in points, in a range between 0 and 100 points																				
Daily Price Limits	N/A																				
Trading Hours (All times listed are Central Time)	OPEN OUTCRY (Trading Floor) <span style="float: right;">Mon – Fri: 8:30 a.m. – 3:15 p.m.</span>																				
Last Trade Date and Time	First business day that is at least two calendar days after the end of the last calendar month in the strip, 9:00 a.m.																				
Contract Months	N/A																				
Strike Price Intervals	0.1 index point in a range of 0 to 200 index points; See CME Rule 442B02.E.																				
Exercise Procedure	American-style; See CME Rule 442B03.																				
Position Limits	All months combined: 10,000 futures-equivalent contracts; See CME Rule 442B02.F.																				
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For more information on Rainfall products, visit [www.cmegroup.com/rainfall](http://www.cmegroup.com/rainfall).

#### CME GROUP HEADQUARTERS

20 South Wacker Drive  
Chicago, Illinois 60606  
cmegroup.com

info@cmegroup.com  
800 331 3332  
312 930 1000

#### CME GROUP REGIONAL OFFICES

<b>New York</b>	212 299 2000	<b>London</b>	+44 20 7796 7100	<b>Singapore</b>	+65 6593 5555
<b>Calgary</b>	403 444 6876	<b>Houston</b>	713 658 9292	<b>São Paulo</b>	+55 11 2565 5999
<b>Tokyo</b>	+81 3 5403 4828	<b>Washington D.C.</b>	202 638 3838		