

Monthly Temperature Futures

- [Monthly Weather \(CAT, CDD, HDD\) Futures Daily Settlement Procedure](#)
 - [Normal Daily Settlement Methodology](#)
 - [Adjusting the Baseline](#)
 - [Within the Accumulation Period](#)
- [Monthly Heating Degree Days \(HDD\) Futures Final Settlement Procedure](#)
- [Monthly Cooling Degree Days \(CDD\) Futures Final Settlement Procedure](#)
- [Monthly Cumulative Average Temperature \(CAT\) Futures Final Settlement Procedure](#)

Monthly Weather (CAT, CDD, HDD) Futures Daily Settlement Procedure

Normal Daily Settlement Methodology

Daily settlements for Monthly Futures contracts are calculated by CME Group staff according to the following methodology:

Tier 1: Trades on CME Globex

The baseline for the settlement is the price of the last trade that occurs on CME Globex as of the snapshot time, a randomly selected time between 15:00 and 15:15 Central Time (CT). The last trade must have at least 10 lots in order for its price to be used as the baseline. If a Globex trade and a Block trade both occur for a given instrument, then the more recent one is the baseline.

Adjusting the Baseline

If the baseline falls outside of the Globex market posted between 15:00 and 15:15 CT, then it is adjusted to either the bid or the ask, depending on the side of the market on which the trade falls. If a better bid or ask is posted on third party bulletins, the settlement price may also be adjusted to respect this bid or ask. However, third party information will never adjust the settlement outside of a posted Globex market.

Bids and asks of fewer than 50 contracts (from any source) may be discarded for settlement calculation purposes, and the next best bid or ask that meets that minimum may be used.

Tier 2: CME Globex Market Data

In the absence of trade information, the instrument settles to the mid-market price on Globex between 15:00 and 15:15 CT.

Tier 3: Absence of Market Data

In the absence of market data, a contract settles to the prior-day price. Monthly contracts may be adjusted to reflect price discovery in the strips of which they are a component. Options trades may also be considered for monthly futures contract settlement.

Within the Accumulation Period

The settlement may also be adjusted according to the contract's position within the accumulation period. The accumulation period of each contract begins on the first calendar day of the contract month and ends on the last calendar day of the contract month.

A contract in the accumulation period may be adjusted to the actual daily accumulation of heating degrees plus the 10-year average of heating degrees for each of the days remaining of the period. The heating degrees for a given day are the total number of degrees that the average outside air temperature drops below the base temperature of 65°F (or 18°C for non-U.S. cities).

Monthly Heating Degree Days (HDD) Futures Final Settlement Procedure

The final settlement price of Monthly Heating Degree Days (HDD) Index Futures is based on the respective CME HDD Index reported by MDA Federal Information Systems, Inc. The CME HDD Index is equal to the sum of the average degrees that the outside air temperature drops below the base temperature of 65°F (or 18°C for non-U.S. cities) in the specified city each day in the contract month.

Final settlement occurs on the second business day after the contract month for U.S. cities and on the fifth business day after the contract month for international cities.

Monthly Cooling Degree Days (CDD) Futures Final Settlement Procedure

The final settlement price of Monthly Cooling Degree Days (CDD) Index Futures is based on the respective CME CDD Index reported by MDA Federal Information Systems, Inc. The CME CDD Index is equal to the sum of the average degrees that the outside air temperature rises above the base temperature of 65°F (or 18°C for non-U.S. cities) in the specified city each day in the contract month.

Final settlement occurs on the second business day after the contract month for U.S. cities and on the fifth business day after the contract month for international cities.

Monthly Cumulative Average Temperature (CAT) Futures Final Settlement Procedure

The final settlement price of Monthly Canadian, European, and Pacific Rim Monthly Cumulative Average Temperature (CAT) Index Futures is based on the respective CME CAT Index reported by MDA Federal Information Systems, Inc., on the fifth business day after the futures contract month.

The CME CAT Index is the sum of the average temperatures recorded in the specified city for each day in the contract month.

If you have any questions, please call the [CME Global Command Center](#).

Note: In the event the aforementioned calculations described in this advisory cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.