

SOFR

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CME 1-Month Secured Overnight Financing Rate (SOFR) Daily Settlement Procedure

Normal Daily Settlement Procedure

CME Group staff determines the daily settlement of the 1-Month SOFR futures based on the market activity on CME Globex.

1-Month SOFR Futures Contracts

All 1-Month SOFR (SR1) Futures contracts will be settled based upon the bid/ask activity of both outright and spread markets on Globex between 13:59:00 and 14:00:00 CT. Spreads to be considered in this manner are 1 month calendars, 2 month calendars, 3 month calendars, 6 month calendars, 1 month butterflies and the inter-commodity 1-Month SOFR vs Fed Fund spreads. Bids and asks in calendar spreads, butterfly instruments and inter-commodity 1-Month SOFR vs Fed Fund spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. If there are multiple prices that are eligible between this best possible bid and the best possible ask, the price will be chosen that sets the net change as close to the net change of the contract that precedes it in the settlement order.

1-Month SOFR Futures Final Settlement Methodology

<https://www.cmegroup.com/content/dam/cmegroup/rulebook/CME/IV/400/461.pdf>

CME 3-Month Secured Overnight Financing Rate (SOFR) Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

CME Group staff determines the daily settlement of 3-Month SOFR futures based on the market activity on CME Globex.

3-Month SOFR Futures Contracts

All 3-Month SOFR (SR3) Futures contracts will be settled based upon the bid/ask activity of both outright and spread markets on Globex between 13:59:00 and 14:00:00 CT. Spreads to be considered in this manner are 3 month calendars, 6 month calendars, 9 month calendars, 12 month calendars, 3 month butterflies, 12 month butterflies and the inter-commodity 3-Month SOFR vs Eurodollar spreads. Bids and asks in calendar spreads, butterfly instruments and inter-commodity 3-Month SOFR vs Eurodollar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form an implied market in the contract to be settled. These implied markets, along with the outright bid/ask market for the contract, will be used to derive the best possible bid and the best possible ask. If there are multiple prices that are eligible between this best possible bid and the best possible ask, the price will be chosen that sets the net change as close to the net change of the contract that precedes it in the settlement order.

3-Month SOFR Futures Final Settlement Methodology

<https://www.cmegroup.com/content/dam/cmegroup/rulebook/CME/IV/400/460.pdf>

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.

