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Ethanol Futures

Normal Daily Settlement

All CBOT Denatured Fuel Ethanol Futures (EH) contract months with open interest are settled by CME Group staff based on trading activity on CME GLOBEX.

Lead Month

Tier 1: If a trade(s) occurs on CME GLOBEX during the two-minute window between 13:13:00 and 13:15:00 Central Time (CT), the settlement period, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades occur on CME GLOBEX during the settlement window, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle to the low bid or the high ask.

If the low bid is higher than the last trade/prior settlement price, then the contract settles to that bid price. If the high ask is lower than the last trade/prior settle, then the contract settles to that ask price. The contract settles to the last trade/prior settle if it is equal to or between the low bid and the high ask.

Deferred Months

Tier 1: If a trade(s) occurs on CME GLOBEX during the two-minute window between 13:13:00 and 13:15:00 Central Time (CT), the settlement period, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades occur on CME GLOBEX during the closing range then the settlement will be the net change of the preceding month applied to the prior settle and validated against low bid or high ask. If the non-lead month expires prior to the lead month then the net change will be cascaded upwards from the lead month.

Normal Final Settlement

Final settlement of CBOT Denatured Fuel Ethanol futures (EH) contracts is the volume-weighted average price (VWAP) of the last two minutes of trade activity, between 11:59:00 to 12:01:00 Central Time (CT), the settlement period, on CME GLOBEX. If no trade occurs in the last two minutes before expiration, then the final settlement is the last traded price.

CBOT Denatured Fuel Ethanol Forward Month Futures Daily Settlement

Normal Daily Settlement

All CBOT Denatured Fuel Ethanol Forward Month futures (FZE) contracts with open interest are settled by CME Group staff based on trading activity on CME GLOBEX.

Lead Month

The lead month is the expiry month and the contract expected to be the most active.

In its final month of clearing, the lead month settles to the cumulative average of the daily settlement prices of the Ethanol futures (EH) contract month immediately following it. This cumulative average includes settlement prices for all business days in that month (excluding weekends and holidays), using the last known daily settlement price to fill in each remaining clearing day.

For example, if May is the lead month of the Ethanol Forward Month futures, the settlement price on the first business day is equal to the settlement of the June Ethanol futures contract on that day. On the 10th business day in May, daily settlement of the May Ethanol Forward Month futures contract is the cumulative average of the 10 known settlement prices for the June Ethanol futures contract during the month of May and the 10th observation for each of the remaining business days in May.

Deferred Months

Each deferred month Ethanol Forward Month futures contract settles to the daily settlement price of the Ethanol futures contract month immediately following it.

Normal Final Settlement

The expiring CBOT Denatured Fuel Ethanol Forward Month futures (FZE) contract is settled by CME Group staff based on trading activity on CME GLOBEX.

The CBOT Denatured Fuel Ethanol Forward Month futures contract expires on the last business day of the contract month. Final settlement is the cumulative average of daily settlements of the Ethanol futures (EH) contract month immediately following the expiring Ethanol Forward Month futures contract for each clearing day in the Ethanol Forward Month futures contract month.

For example, final settlement for a May Ethanol Forward Month futures would be the cumulative average of the daily settlement prices for the June Ethanol futures contract during the month of May.

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.