Silver

Silver Futures Settlement Procedure

Normal Daily Settlement Procedure

COMEX Silver futures (SI) are settled by CME Group staff based on trading activity on CME Globex during the settlement period. The settlement period is defined as: 13:24:00 to 13:25:00 ET for the Active Month and 13:10:00 to 13:25:00 ET for calendar spreads.

Active Month

 The active month is the nearest of the contract months listed below that is not the spot month. The active month becomes a non-active month effective on its First Position Day

Silver (SI) Active Months
May (K)
July (N)
September (U)
December (Z)
March (H)

Tier 1: The active contract month settles to the volume-weighted average price (VWAP) of the trades executed on CME Globex between 13:24:00 and 13:25:00 ET, the settlement period, rounded to the nearest $0.001 per troy ounce.

Tier 2: If there is no VWAP, then the last trade price is checked against the bid/ask.

   a. If the last trade price is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
   b. If the last trade price is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the last trade price.

Tier 3: If there is no last trade price available, then the prior settle is checked against the bid/ask.

   a. If the prior settle is outside of the bid/ask spread, then the contract settles to the nearest bid or ask price.
   b. If the prior settle is within the bid/ask spread or if a bid/ask is not available, then the contract settles to the prior settlement price.

All Other Months

All months other than the designated active month will settle per the following guidelines:

Tier 1: All months other than the designated active month will settle based upon the VWAP of accumulated calendar spread transactions totaling 25 contracts or more between 13:10:00 - 13:25:00 ET, the calendar spread settlement period. These calendar spreads will be used in conjunction with settlements from any months where a settlement price has been determined to form a VWAP in in the contract month to be settled. For examples please click here.

Tier 2: In the absence of relevant calendar spread trades, bid/asks in those calendar 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 month to be settled. These implied markets will be used to derive the best possible bid and the best possible ask. Provided the implied bid/ask spread is consistent with reasonability thresholds as determined by the Global Command Center (GCC), the contract will settle within the implied bid/ask spread. Note- Efforts will be made to honor relevant resting bids and asks, but VWAP trades will take precedence.

Tier 3: In the absence of an implied bid/ask that meets reasonability thresholds, the net change of the previous contract month will be applied to determine the contract month's settlement price.

Tier 4: In the absence of relevant Globex data, the GCC, in its sole discretion, may consider block trade information for the derivation of settlements. All block trade information must be emailed to COMEXSETTLES@cmegroup.com before the end of the settlement window (13:25:00 ET on typical trade dates) to be considered for inclusion.

Final Settlement Calculation for Expiring Contract

CME Group staff determines the settlement of the expiring Silver (SI) contract by following the regular daily settlement procedures *for non-active months*. The expiring contract, considered to be a non-active month, is settled based on relevant spread relationships on CME Globex as indicated in the **All Other Months** section. -

Additional Details

Silver (SI) futures are physically delivered upon expiration. For additional details on delivery, please see the NYMEX Rulebook (Chapter 112):

http://www.cmegroup.com/rulebook/NYMEX/1a/112.pdf

COMEX Mini Silver Futures

Normal Daily Settlement

The settlements in the Mini Silver (QI) Futures contracts are derived directly from the settlements of the regular sized Silver (SI) Futures contracts, rounded to the nearest tradeable tick.

Example

If the SIZ2 settles 33.292, then the QIZ2 would settle 33.2875.

Final Settlement

CME Group staff determines the settlement of the expiring Mini Silver (QI) contract by following the regular daily settlement procedure.

Additional Details

Mini Silver (QI) futures are cash settled upon expiration. For additional details, please see the NYMEX Rulebook (Rule 912.07).

COMEX Micro Silver Futures Daily Settlement Procedure

Normal Daily Settlement Procedure

The settlements in the Micro Silver (SIL) Futures contracts are derived directly from the settlements of the regular sized (5,000-oz.) Silver (SI) Futures contracts.

Example

If the SIZ3 settles 19.882, then the SILZ3 would settle 19.882.

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.