

Dow Jones Futures

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E-mini Dow (\$5) Futures

Normal Daily Settlement Procedure

Daily settlements of the CME Equity Index futures E-mini Nasdaq 100 (NQ), Micro E-mini Nasdaq (MNQ), E-mini Dow (YM), Micro E-mini Dow (MYM), E-mini Russell 2000 (RTY), Micro E-mini Russell 2000 (M2K), Nikkei Yen (NIY), Nikkei Dollar (NKD), E-mini Nikkei Yen (ENY) and TOPIX (TPY) are determined by CME Group staff based on trading and market activity on CME Globex. Daily settlement of the Micro contracts are equal to the settlement price of their associated Mini contracts.

Lead Month

The lead month is the anchor leg for settlements and is the contract expected to be the most active.

Tier 1: If the lead month contract trades on Globex between 14:59:30 and 15:00:00 Central Time (CT), the settlement period, then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If the lead month contract trades on Globex between 14:59:30 and 15:00:00 Central Time (CT), the settlement period, then the lead month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 3: If a two sided market is not available on Globex during the closing period, then the cash index will be used in the following Carry calculation to derive a settlement price.

Index price + [(Days to expiration/ 365) x Interest rate x Index price]

-Second Month

When the lead month is the expiry month, then the second month is defined as the calendar month immediately following the lead month. When the lead month is not the expiry month, then the second month is defined as the first expiring non-lead month.

Tier 1: If the lead month-second month spread trades on Globex between 14:59:30 and 15:00:00 CT, then the spread VWAP is calculated, rounded to the spread's nearest tradable tick and then applied to the lead month settle to derive the second month settle.

Tier 2: If there are no spread trades on Globex between 14:59:30 and 15:00:00 CT, then the last spread trade price is applied to the lead month settle to derive the second month settle.

If the last spread trade is outside of the spread's Bid/ Ask, then the bid or ask price that is closer to the last spread trade is applied to the lead month settle to derive the second month settle.

Tier 3: If there is no spread market information available on Globex, then the cash index will be used in the following Carry calculation to derive a settlement price

Index price + [(Days to expiration/ 365) x Interest rate x Index price]

Back Months

To derive settlements for all remaining months, the following Carry calculation will be used to derive a settlement prices provided that this value does not violate the bid or ask between 14:59:30 and 15:00:00 CT for the respective outrights.

Index price + [(Days to expiration/ 365) x Interest rate x Index price]-

Note

The Index Price used in the Carry calculation in this methodology, for futures that settle at a different time than their underlying Cash Equity Index, will be a 'Synthetic' Index price. This 'Synthetic' price will be derived by taking the Lead month futures contract minus the Cash Index at the cash close to calculate a Basis. At the futures settlement time, the Lead Month settlement minus the Basis will equal the 'Synthetic' Index price. The Interest Rate component used in the Carry calculation in this methodology is derived by subtracting expected dividends from a normalized interest rate curve.

Final Settlement

The final settlement price of an expiring mini-sized Dow futures contract shall be determined on the final settlement day (Rule 26105). The final settlement price shall be \$5 times a Special Opening Quotation (SOQ) of the DJIA based on the opening prices of DJIA component stocks.

If, on the regularly scheduled final settlement day, the designated primary market for a DJIA component stock does not open, then the next opening price for that component stock shall be used in the determination of the SOQ.

If, on the regularly scheduled final settlement day, the designated primary market for a DJIA component stock is open, but that component stock does not open for trading, then the last sale price for that component stock shall be used in the determination of the SOQ.

Additional Details

For information regarding the SOQ, please see the following links:

- [Understand the SOQ](#)
- [Retrieving the SOQ on expiration day](#)
- E-Mini Dow Jones (\$5) (YM) futures are cash settled upon expiration. For additional details, please see the [CBOT Rulebook \(Chapter 27\)](#).

Normal BTIC Daily Settlement Procedure

Daily settlements of the E-mini DJIA (YMT) futures are determined by CME Group staff based on trading and market activity on CME Globex, up to 15:00:00 Central Time (CT)

All Months

Tier 1: If the lead month contract trades on Globex between 14:59:30 and 15:00:00 CT, the settlement period, then the month settles to the volume-weighted average price (VWAP) of the trade(s) during this period.

Tier 2: If no trades occur on Globex between 14:59:30 and 15:00:00 CT, then the contract settles to the last traded price validated against Low Bid /High Ask during the closing range.

Tier 3: If there are no trades then the contract settles to the prior day settlement validated against Low Bid/High Ask during the closing range.

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.