

# E-Mini Standard and Poors 500 Futures

- [CME E-Mini S&P 500, Micro E-mini S&P 500 Futures Daily Settlement Procedure](#)
- [Normal Daily Settlement Procedure](#)
  - [Lead month](#)
  - [Second Month](#)
  - [Back Months](#)
  - [End of Month Fair Value Procedure](#)
- [Final Settlement](#)
- [Normal BTIC Daily Settlement Procedure](#)
- [Equity Forward BTIC and Forward TACO Daily Settlement Procedure](#)
- [Normal FBTIC and FTACO Daily Settlement Procedure](#)

## CME E-Mini S&P 500, Micro E-mini S&P 500 Futures Daily Settlement Procedure

### Normal Daily Settlement Procedure

Daily settlement of the E-Mini S&P 500 (ES) and Micro E-mini S&P 500 (MES) futures are derived according to the procedure below. Daily settlement of the Micro E-mini S&P futures (MES) are equal to the daily settlement price of the E-Mini S&P 500 futures (ES).

#### Lead month

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

- The volume-weighted average price ("VWAP") of all trades executed on CME Globex between 14:59:30 and 15:00:00 CT, the settlement period, in the E-mini S&P futures will be calculated for the designated lead month and rounded to the nearest .25 index point.
- If no trades in the lead month occur between 14:59:30 and 15:00:00 CT, then the contract month settles to the midpoint of the Bid/Ask between 14:59:30 to 15:00:00 CT, the settlement period.
- If a two-sided market is not available during the settlement 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.

- The second contract month will settle to the VWAP of the lead month-second month spread trades between 14:59:30 to 15:00:00 CT, using the same methodology as described above.
- If there are no spread trades between 14:59:30 to 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.

- If there is no spread market information available, 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 settlement prices provided that this value does not violate the bid or ask between 14:59:30 to 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, will be the Cash Equity 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.

#### End of Month Fair Value Procedure

<http://www.cmegroup.com/trading/equity-index/fairvaluefaq.html>

#### Final Settlement

The Final Settlement Price shall be a special quotation of the S&P 500 Index based on the opening prices of the component stocks in the index, determined on the third Friday of the contract month. If the S&P 500 Index is not scheduled to be published on the third Friday of the contract month, the Final Settlement Price shall be determined on the first earlier day for which the Index is scheduled to be published.

If the primary market for a component stock in the index does not open on the day scheduled for determination of the Final Settlement Price, then the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the opening price of that stock on the next day that its primary market is open for trading.

If a component stock in the index does not trade on the day scheduled for determination of the Final Settlement Price while the primary market for that stock is open for trading, the price of that stock shall be determined, for the purposes of calculating the Final Settlement Price, based on the last sale price of that stock. However, if the Exchange determines that there is a reasonable likelihood that trading in the stock shall occur shortly, the Exchange may instruct that the price of stock shall be based, for the purposes of calculating the Final Settlement Price, on the opening price of the stock on the next day that it is traded on its primary market. Factors to be considered in determining whether trading in the stock is likely to occur shortly shall include the nature of the event and recent liquidity levels in the affected stock.

#### Additional Details

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

- [Understand the SOQ](#)
- [Retrieving the SOQ on expiration day](#)
- S&P 500 (SP) futures are cash settled upon expiration. For additional details, please see the CME Rulebook (Chapter 351)
- E-Mini S&P 500 (ES) futures are cash settled upon expiration. For additional details, please see the [CME Rulebook \(Chapter 358\)](#)

### Normal BTIC Daily Settlement Procedure

Daily settlements of the E-mini S&P 500 (EST) futures are determined by CME Group staff based on trading and market activity on CME Globex, up to 14:45:00 Central Time (CT)

#### All Months

**Tier 1:** If the lead month contract trades on Globex between 14:15:00 and 14:45:00 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 14:15:00 and 14:45:00 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.

### Equity Forward BTIC and Forward TACO Daily Settlement Procedure

#### Normal FBTIC and FTACO Daily Settlement Procedure

Daily settlements of the Forward BTIC futures and Forward TACO 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 Contract Listings

**Tier 1:** If the contract trades on Globex between 7:30:00 and 15:00:00 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 Globex between 7:30:00 and 15:00:00 CT, then the contract settles to the last traded price validated against the bid/ask present on the close.

**Tier 3:** If there are no trades then the contract settles to the prior day settlement validated against the bid/ask present on the close.

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.