

Eurodollar

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Eurodollar Futures

Normal Daily Settlement

CME Group staff determines the daily settlement of Eurodollar (GE) futures based on the market activity on CME Globex.

Serial and Quarter Tick Eligible Quarterly Contract Months

Serial contract months settle to the volume-weighted average price (VWAP) of trades on Globex between 13:59:00 and 14:00:00 Central Time (CT), the settlement period. If there are no trades during this one-minute window, then the contract settles to the midpoint of the low bid and high ask of the settlement period, with adjustments made to incorporate relevant spread bid/ask activity in the spread between the serial (or front quarterly month if quarter tick eligible) and the first non-quarter tick eligible quarterly contract.

Non-Quarter Tick Eligible Quarterly Contracts

The first 12 quarterly Eurodollar (GE) months settle based upon the bid/ask activity of both outright and spread markets on Globex between 13:59:00 and 14:00:00 CT. Initial prices are determined by the volume weighted average price (VWAP) of each outright contract, and may be adjusted within the outright bid/ask range to accommodate calendar spread and butterfly bids and asks. Spreads to be considered in this manner are 3 month calendars, 6 month calendars, 9 month calendars, 12 month calendars, 3 month butterflies, and 12 month butterflies. In all cases, the solution that accommodates the most spread bids and asks will be chosen.

The remaining 28 deferred quarterly contracts will be settled using bids and asks in calendar spreads and butterfly instruments 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.

*Please note that all VWAPs calculated in the above procedure will be rounded to the nearest tradable tick, following a symmetric – “round half towards zero” – rounding convention. For instance, a VWAP of 99.6525 of a non-quarter tick eligible outright will be rounded to 99.650. A spread VWAP of -12.25 will be rounded to -12.0.

Normal Final Settlement

The final settlement price of an expiring three-month Eurodollar futures (GE) contract is equal to 100 minus the three-month Eurodollar interbank time deposit rate.

The Eurodollar interbank time deposit rate is determined by the Ice Benchmark Administration Ltd. (IBA) LIBOR fixing on the second London bank business day immediately preceding the third Wednesday of the contract's month of delivery. This value is then rounded to the nearest 1/10,000th of a percentage point per annum.

Additional Details

Eurodollar (GE) futures are cash-settled upon expiration. For additional details, please see the CME Rulebook (Chapter 452):

One-Month Eurodollar Futures

Normal Daily Settlement

Daily settlement of 1-month Eurodollar futures (GLB) is determined by CME Group staff based on market activity on CME Globex.

Tier 1: If a trade(s) occurs on CME Globex between 13:59:00 and 14:00:00 Central Time (CT), the settlement period, 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 between 13:59:00 and 14:00:00 CT, then the contract settles to the midpoint of the low bid and high ask.

Tier 3: If either or both the low bid or high ask are absent, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle to the current bid or the current ask.

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

Final Settlement

The final settlement price of an expiring contract shall be 100 minus the one-month Eurodollar interbank time deposit rate determined by the Ice Benchmark Administration Ltd. (IBA) LIBOR fixing on the second London bank Business Day immediately preceding the third Wednesday of the contract's named month of delivery. The value of such one-month Eurodollar interbank time deposit rate shall be rounded to the nearest 1/10,000 th of a percentage point per annum. Tie values, i.e., any such values ending in a .00005, shall be rounded up. For example, a One-Month IBA LIBOR fixing value of 8.65625 percent would be rounded to 8.6563 percent and then subtracted from 100 to determine a contract final settlement price of 91.3437.

Additional Details

One-Month Eurodollar (GLB) futures are cash settled upon expiration. For additional details, please see the CME Rulebook (Chapter 453):

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.