

Chapter 30

CBOT® Dow Jones US Real Estate Index Futures

30100. SCOPE OF CHAPTER

This chapter is limited in application to CBOT Dow JonesSM US Real Estate Index futures (“futures”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

30100.A. Market Decline

For the purposes of this chapter a Market Decline shall be as defined in New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or in Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

30100.B. Primary Listing Exchange

For the purposes of this chapter a Primary Listing Exchange shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the U.S. Securities and Exchange Commission (“SEC”), as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631).

30100.C. Regulatory Halt

For the purposes of this chapter a Regulatory Halt shall be as defined in the “Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS Under the Securities Exchange Act of 1934” approved 31 May 2012 by the SEC, as amended from time to time (SEC, SRO Rulemaking, National Market System Plans, File 4-631) and as implemented under New York Stock Exchange Rule 80B for Trading Halts Due to Extraordinary Volatility or under Nasdaq Stock Market Rule 4121 for Trading Halts Due to Extraordinary Volatility.

30101. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at \$100.00 times the Dow JonesSM US Real Estate Index (“Index”)

30102. TRADING SPECIFICATIONS

30102.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

30102.B. Trading Unit

The unit of trading shall be \$100.00 times the Index.

30102.C. Price Increments¹

Bids and offers shall be quoted in Index points. The minimum price increment shall be 0.1 Index points, equal to \$10.00 per contract. Contracts shall not be made on any other price basis.

30102.D. Price Limits and Trading Halts

Futures trading shall be subject to Price Limits as set forth in this Rule. For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

1. Daily Determination of Price Limits

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated on the basis of the corresponding Reference Price (Rule 30102.D.1.a.) and the corresponding Offsets (Rule 30102.D.1.b.), as follows:

¹ See Rule 30107.C. (BTIC Orders Minimum Price Increment) for information on the minimum price increment or Tick Size for BTIC Transactions. BTIC trades that are completed are based on the closing stock index value, and will be cleared in price increments of 0.01 index points, because the underlying stock price index is reported to a two decimal place level of precision.

5% Price Limits = Reference Price minus 5% Offset, and Reference Price plus 5% Offset
7% Price Limit = Reference Price minus 7% Offset
13% Price Limit = Reference Price minus 13% Offset
20% Price Limit = Reference Price minus 20% Offset

1.a. Reference Prices for Price Limits

For a given Business Day, for futures for a given delivery month, the Exchange shall set a contract Reference Price on the first preceding Business Day, as follows:

Tier 1

Such Reference Price shall be based on the volume-weighted average price of transactions in such futures on the CME Globex electronic trading platform during the interval (i) between 2:59:30 p.m. and 3:00:00 p.m., or (ii) in the case of an early scheduled close of the Primary Listing Exchange, between 11:59:30 a.m. and noon, or (iii) in the event of an unscheduled early close of the Primary Listing Exchange, the final thirty (30) seconds of the Primary Listing Exchange trading day ("Reference Interval").

Tier 2

If no such transaction occurs during the Reference Interval, then such Reference Price shall be based on the average of midpoints of bid/ask spreads for such futures quoted on CME Globex during the Reference Interval, *provided that* the Reference Price calculation shall exclude the midpoint value for any such bid/ask spread that is wider than 0.2 Index points (equal to two (2) minimum price increments).

Tier 3

If such Reference Price cannot be determined pursuant to Tier 1 or Tier 2, then the Exchange, in its sole discretion, shall set such Reference Price by alternative means which may include, but are not limited to, derivation by reference to the basis relationship between such futures contract's price and the Index, or application of Tier 1 and Tier 2 calculations to successive time intervals of increasing length, in integer multiples of thirty (30) seconds, until suitable price data are obtained.

The resultant Reference Price value shall be rounded down to the nearest integer multiple of 0.1 Index point. Such Reference Price, so rounded, shall be used for determination of the corresponding Price Limits.

For newly listed futures for a given delivery month, the Exchange shall set, in its sole discretion, a Reference Price value for the purpose of determining Price Limits for the first day of trading in such futures.

1.b. Offsets for Price Limits

For a given Business Day, the Exchange shall determine Offsets on the basis of the Index value ("I") at the close of trading on the Primary Listing Exchange (Rule 30100.B.) on the first preceding Business Day, as follows:

5% Offset = 5% of I (0.05 x I)
7% Offset = 7% of I (0.07 x I)
13% Offset = 13% of I (0.13 x I)
20% Offset = 20% of I (0.20 x I)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 0.1 of an Index point. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

2. Application of Price Limits from Start of Trading Day to 8:30 a.m.

From the start of any Trading Day until 8:30 a.m., there shall be no trading in futures for a given delivery month at any price that is either strictly lower than or strictly higher than the range defined by the 5% Price Limits (Rule 30102.D.1.) applicable to such futures on such Trading Day.

Without limitation to the foregoing, the start of any Trading Day generally shall coincide with the start of the CME Globex trading session at 5:00 p.m. on the evening first preceding such Trading Day.

If the Primary Futures Contract Month is limit bid or limit offered at 8:23 a.m. and remains limit bid or limit offered at 8:25 a.m., then futures trading shall halt and remain halted until 8:30 a.m. Prior to reopening of Globex trading in futures at 8:30 a.m., the Exchange shall provide indicative opening prices in accord with Rule 573.

3. Application of Price Limits and Trading Halts from 8:30 a.m. to 2:25 p.m.

Except as provided in Rules 30102.D.3.a. and 30102.D.3.b., from 8:30 a.m. until and including 2:25 p.m., or from 8:30 a.m. until and including 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange, futures for a given delivery month shall trade subject to the corresponding Price Limits (Rule 30102.D.1.), as follows:

There shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit, unless the Primary Futures Contract Month becomes limit offered at its 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 13% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes, and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

3.a. Regulatory Halts

At such time as the Primary Listing Exchange may declare a Regulatory Halt (Rule 30100.C.) in response to a Level 1 (7%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 13% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 2 (13%) Market Decline in the S&P 500 Index, futures trading shall halt. When trading resumes on the Primary Listing Exchange, futures trading shall resume subject to the corresponding 20% Price Limit.

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

3.b. Unscheduled Non-Regulatory Halts

If an unscheduled trading halt that is not also a Regulatory Halt occurs on one or more Primary Listing Exchanges between 8:30 a.m. and 2:25 p.m., or between 8:30 a.m. and 11:25 a.m. in the case of an early scheduled close of the Primary Listing Exchange(s), then futures trading shall be subject to such trading halts or such price limits as the Exchange, in its sole discretion, may determine to be appropriate.

4. Application of Price Limits from 2:25 p.m. to 3:00 p.m.

From 2:25 p.m. to 3:00 p.m., or from 11:25 a.m. to noon in the case of an early scheduled close on the Primary Listing Exchange, trading in futures for a given delivery month shall be subject only to the corresponding 20% Price Limit (Rule 30102.D.1.).

At such time as the Primary Listing Exchange may declare a Regulatory Halt in response to a Level 3 (20%) Market Decline in the S&P 500 Index, futures trading shall halt and remain halted until trading resumes on the Primary Listing Exchange on the following Business Day.

5. Application of Price Limits from 3:00 p.m. to Close of Trading Day

From the close of trading on the Primary Listing Exchange at 3:00 p.m., or at noon in the case of an early scheduled close on the Primary Listing Exchange, until the close of the current Trading Day, trading in futures for a given delivery month shall be subject to an upper Price Limit equal to the corresponding Reference Price determined on the current Business Day (Rule 30102.D.1.a.) plus the 5% Offset determined on the current Business Day (Rule 30102.D.1.b.).

Trading in such futures also shall be subject to a lower Price Limit set as the corresponding Reference Price determined on the current Business Day minus the 5% Offset determined on the current Business Day, provided that such lower Price Limit shall be no lower than the 20% Price Limit (Rule 30102.D.1.) applicable to the current Trading Day.

Without limitation to the foregoing, the close of the current Trading Day generally shall coincide with the close of the CME Globex trading session on such Trading Day.

30102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

30102.F. Termination of Trading

Trading in expiring futures shall terminate at the regularly scheduled start of trading on the New York Stock Exchange on the Business Day scheduled for determination of the Final Settlement Price (Rule 30103.A.) for such futures.

30103. DELIVERY ON FUTURES CONTRACTS

Delivery against expiring futures must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 30105.) and shall be accomplished by cash settlement.

Clearing members holding open positions in expiring futures at the time of termination of trading shall make payment to, and receive payment through, the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (Rule 30104.).

30104. FINAL SETTLEMENT PRICE

For a futures contract for a given delivery month, the Final Settlement Price shall be determined on such contract's Final Settlement Day (Rule 30105.) as a special opening quotation of the Index based on opening prices of the component stocks of the Index.

If the Primary Listing Exchange does not open on such Final Settlement Day, then the Final Settlement Price shall be a special opening quotation of the Index on the next following day on which the Primary Listing Exchange is open for trading.

If a component stock of the Index does not trade on such Final Settlement Day, and the Primary Listing Exchange is open for trading, then for the purpose of calculating such Final Settlement Price the price of such stock shall be its last sale price.

30105. FINAL SETTLEMENT DAY

The Final Settlement Day for an expiring futures contract shall be the third Friday of such contract's delivery. If the Index is not scheduled to be published on such third Friday, then the Final Settlement Day shall be the first preceding Business Day on which the Index is scheduled to be published.

30106. [RESERVED]

30107. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

30107.A. BTIC Block Trade Requirements

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade that is executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

30107.B. BTIC Price Assignment Procedures

The futures price of a BTIC transaction will be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the Primary Listing Exchange in the case of an early scheduled close of the Primary Listing Exchange). Such price determination shall be deemed final.

30107.C. BTIC Minimum Price Increment

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.10 index points.

30108. DISCLAIMER

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