Chapter 352B
Yen Denominated Nikkei Stock Average Futures

352B00. SCOPE OF CHAPTER

This chapter is limited in application to Yen Denominated Nikkei Stock Average futures. In addition to this chapter, Yen Denominated Nikkei Stock Average futures shall be subject to the general rules and regulations of the Exchange as applicable.
For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

352B01. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥500 times the Nikkei Stock Average. The Nikkei Stock Average is a broadly based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

352B02. TRADING SPECIFICATIONS

352B02.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.

352B02.B. Trading Unit

The unit of trading shall be ¥500 times the Nikkei Stock Average.

352B02.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 5 index points, equivalent to ¥2500 per contract. Inter-commodity spread trades between Yen Denominated Nikkei Stock Average Futures (CME Rulebook Chapter 352B/Commodity Code NIY) and Nikkei Stock Average Futures (CME Rulebook Chapter 352/Commodity Code NKD) shall be executed on CME Globex in price increments of 1 index point for all non 1:1 ratio spreads, and 5 index points for 1:1 ratio spreads, with the executed price of each leg of the inter-commodity spread in price increments of 0.01 index points.

352B02.D. 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.

352B02.E. [Reserved]

352B02.F. [Reserved]

352B02.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

352B02.H. [Reserved]

352B02.I. Price Limits and Trading Halts

The primary futures contract month, as referenced in this rule, shall be determined by the Exchange. The Exchange shall also determine when the primary futures contract month is limit bid or limit offered. There shall be no Daily Price Limits in a contract on its last day of trading.

Reference Price for Exchange Price Limits and Exchange Trading Halts: Daily price limits in futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

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Tier 1 The Reference Price shall be equal to the volume-weighted average price of the Nikkei 225 mini Futures trades executed on the Osaka Securities Exchange ("OSE") from (i) 3:29:30 to 3:30:00 p.m. Tokyo time, or, in the event of an early close of the primary Tokyo securities market, (ii) the last thirty (30) seconds of the primary Tokyo securities market trading day (Reference Interval).

Tier 2 If no transactions occur during the Reference Interval, the Reference Price shall be the average of the midpoints of each bid/ask spread in the OSE Nikkei 225 mini Futures contract during that thirty (30) second interval; however, bid/ask spread pairs wider than three (3) ticks (30 index points), shall not be included in the calculation to determine the Reference Price.

Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, designated Exchange staff shall consider any other information deemed relevant to determine the Reference Price. Alternatives upon which Exchange staff may determine the Reference Price include, but are not limited to, the following: (1) deriving the Reference Price based on the basis relationship to the underlying cash index level; or (2) deriving the Reference Price by repeating Tier 1 or Tier 2 calculations at increasing thirty (30) second increment intervals until data is obtained.

If the Reference Price is not divisible by 10.00 without remainder then the Reference Price shall be rounded down to the closest 10.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

For a newly listed contract expiration month, there will be an implied Reference Price created by the Exchange for the sole purpose of establishing the Price Limits for the first day of trading.

Exchange Price Limit Levels: Price Limits shall be calculated daily based upon the rounded Reference Price, P, and Offset levels.

There will be three (3) Offset levels used to determine the three daily upward and the three daily downward Price Limits.

The three Offset levels will be:

8% Offset = (8% × P)
12% Offset = (12% × P)
16% Offset = (16% × P)

Each resultant Offset value shall be rounded down to the nearest integer multiple of 10 Index points. Each such Offset, so rounded, shall be used in determination of the corresponding Price Limits.

The Daily Price Limits for Yen Denominated Nikkei Stock Average futures shall be calculated as follows:

1st Price Limits equals Rounded Reference Price (P) ± 8% Offset level
2nd Price Limits equals Rounded Reference Price (P) ± 12% Offset level
3rd Price Limits equals Rounded Reference Price (P) ± 16% Offset level

If, on any CME Business Day, the OSE Nikkei 225 mini Futures contract is closed for trading, then the Rounded Reference Price used for the calculation of daily Price Limits shall be the most recently calculated Rounded Reference Price.

Downward Price Limits – Limit Offer

When the primary futures contract is limit offered at the 1st downward Price Limit, a 2-minute period shall commence. If the primary futures contract is not limit offered at the end of the 2-minute period, trading will continue with the next applicable downward Price Limit in effect. If the primary futures contract is limit offered at the end of the 2-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable downward price Limit shall apply to such reopening.

When the primary futures contract is limit offered at the 2nd downward Price Limit, a 2-minute period shall commence. If the primary futures contract is not limit offered at the end of the 2-minute period, trading will continue with the 3rd Price Limit in effect. If the primary futures contract is limit offered at the end of the 2-minute period, trading shall terminate for a period of two minutes, after

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which time the market shall reopen. The 3rd downward Price Limit shall apply to such reopening. The 3rd downward Price Limit shall represent the Total Daily downward Price Limit and shall prevail until the end of the trading day.

Upward Price Limits – Limit Bid

When the primary futures contract is limit bid at the 1st Price Limit, a 2-minute period shall commence. If the primary futures contract is not limit bid at the end of the 2-minute period, trading will continue with the next applicable upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 2-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The next applicable upward Price Limit shall apply to such reopening.

When the primary futures contract is limit bid at the 2nd upward Price Limit, a 2-minute period shall commence. If the primary futures contract is not limit bid at the end of the 2-minute period, trading will continue with the 3rd upward Price Limit in effect. If the primary futures contract is limit bid at the end of the 2-minute period, trading shall terminate for a period of two minutes, after which time the market shall reopen. The 3rd upward Price Limit shall apply to such reopening. The 3rd upward Price Limit shall represent the Total Daily upward Price Limit and shall prevail until the end of the trading day.

352B03. SETTLEMENT PROCEDURES

Final settlement of the yen denominated Nikkei Stock Average futures contract shall be by cash settlement.

352B03.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average which is used to settle the Nikkei Stock Average Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

In the event the second Friday of such delivery month is not a Tokyo Stock Exchange business day, such special opening quotation of the Nikkei Stock Average and the corresponding Final Settlement Price shall be determined on the Tokyo Stock Exchange business day immediately preceding the second Friday of such delivery month.

352B03.B. Final Settlement

Clearing members holding open positions in a yen denominated Nikkei Stock Average futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

352B04. [RESERVED]

352B05. [RESERVED]

352B06 BASIS TRADE AT INDEX CLOSE ("BTIC")

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B. Notwithstanding the provisions in Rule 524.B.2., BTIC transactions are permitted on the last day of trading for the contract.

352B06.A. BTIC Block Trade Requirements

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

For a BTIC or 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 or BTIC block trade executed on a given Trading Day after the schedule 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.

352B06.B. BTIC Price Assignment Procedures

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

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352B06.C. BTIC Minimum Price Increments

The minimum price increment shall be 0.1 Index point, equal to ¥50 per contract, for any basis adjustment that is applied to the Index closing level to establish the futures price of a BTIC transaction.

352B06.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange or a regulatory trading halt necessitating an early closure of the Primary Listing Exchange.

(End Chapter 352B)

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