

## Chapter 370

### E-mini Yen Denominated Nikkei Stock Average Index Futures

#### 37000. SCOPE OF CHAPTER

This chapter is limited in application to E-mini Yen Denominated Nikkei Stock Average futures (“futures”). In addition to this chapter, 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.

#### 37001. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥100 times the Nikkei Stock Average (“Index”).

#### 37002. TRADING SPECIFICATIONS

##### 37002.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.

##### 37002.B. Trading Unit

The unit of trading shall be ¥100 times Index.

##### 37002.C. Price Increments

Bids and offers shall be quoted in terms of the Index. The minimum price fluctuation shall be 10 points, equal to ¥1000 per contract.

##### 37002.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.

##### 37002.E. [Reserved]

##### 37002.F. [Reserved]

##### 37002.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.

##### 37002.H. [Reserved]

##### 37002.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:

- |        |   |
|--------|---|
| 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 2:59:30 to 3:00:00 p.m. Tokyo time.  |
| Tier 2 | If no transactions occur from 2:59:30 to 3:00:00 p.m., Tokyo time, 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 1.00 without remainder then the Reference Price shall be rounded down to the closest 1.00 point increment. The Rounded Reference Price ("P") shall be used to determine daily Price Limits.

In the event of an early close of the primary Tokyo securities market, the Reference Price shall be determined based upon the time period that corresponds to the last thirty (30) seconds of the primary Tokyo securities market trading day.

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 shall be based on a twenty (20) trading day arithmetic average ("20-day Average") of the closing price of the Nikkei 225 index that will be calculated prior to the beginning of the Quarterly Price Limit period.

The three Offset levels will be:

8% Offset ( = 8% × 20-day Average, rounded down to the closest 10 point increment)  
 12% Offset ( = 12% × 20-day Average, rounded down to the closest 10 point increment)  
 16% Offset ( = 16% × 20-day Average, rounded down to the closest 10 point increment)

The Offsets used to determine the daily Price Limits are calculated every three months and shall be announced prior to the opening of trading in each Quarterly Price Limit period. The following Quarterly Price Limit periods shall apply:

March 1 through May 31  
 June 1 through August 31  
 September 1 through November 30  
 December 1, through February 28 (or February 29 during a leap year)

The Daily Price Limits for futures shall be calculated as follows:

1<sup>st</sup> Price Limits equals Rounded Reference Price (P) ± 8% Offset level  
 2<sup>nd</sup> Price Limits equals Rounded Reference Price (P) ± 12% Offset level  
 3<sup>rd</sup> 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 1<sup>st</sup> 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 2<sup>nd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> downward Price Limit shall apply to such reopening. The 3<sup>rd</sup> 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 1<sup>st</sup> 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 2<sup>nd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> upward Price Limit shall apply to such reopening. The 3<sup>rd</sup> upward Price Limit shall represent the Total Daily upward Price Limit and shall prevail until the end of the trading day.

### **37003. SETTLEMENT PROCEDURES**

Final settlement of expiring futures shall be by cash settlement.

#### **37003.A. Final Settlement Price**

The final settlement price shall be the special opening quotation of the [Nikkei Stock Average] Index which is used to settle the OSE Nikkei 225 mini Futures, 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.

#### **37003.B. Final Settlement**

Clearing members holding open positions in expiring futures 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.

### **37004. [RESERVED]**

### **37005-06 [RESERVED]**

(End Chapter 370)