

Chapter 403

CME Degree Days Index Futures

40300. SCOPE OF CHAPTER

This chapter is limited in application to CME Degree Days Index futures: the CME Heating-Degree-Days (CME-HDD) Index and the CME Cooling-Degree-Days (CME-CDD) Index. In addition to this chapter, CME Degree Days Index futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred herein shall refer to and indicate Chicago time.

40301. CONTRACT SPECIFICATIONS

1. Heating Degree Days and Cooling Degree Days

The daily average temperature is defined as the arithmetic average of the maximum and minimum temperature recorded between 0000 LST to 2359 LST. Observations are recorded by the U.S. National Weather Service and processed by Speedwell Settlement Services Ltd.

For each day, Heating-Degree-Days (HDD) is the greater of (1) zero, (2) 65 degrees Fahrenheit minus the daily average temperature.

For each day, Cooling-Degree-Days (CDD) is the greater of (1) zero, (2) the daily average temperature minus 65 degrees Fahrenheit.

2. The CME Degree Days Indexes and Listing Cities

Each particular CME Degree Days index, is the accumulation of like Degree Days over a calendar month. The accumulation period of each CME-HDD or CME-CDD Index Futures contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

The temperature for a particular city is reported from a specific automated weather station. The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Automated Weather Stations

Atlanta Hartsfield International Airport (WBAN 13874)
Boston-Logan International Airport (WBAN 14739)
Burbank-Glendale-Pasadena Airport (WBAN 23152)
Chicago O'Hare International Airport (WBAN 94846)
Cincinnati Northern Kentucky (Covington) Airport (WBAN 93814)
Dallas-Fort Worth International Airport (WBAN 03927)
Houston-George Bush Intercontinental Airport (WBAN 12960)
Las Vegas McCarran International Airport (WBAN 23169)
Minneapolis-St. Paul International Airport (WBAN 14922)
New York La Guardia Airport (WBAN 14732)
Philadelphia International Airport (WBAN 13739)
Portland International Airport (WBAN 24229)
Sacramento Executive Airport (WBAN 23232)

40302. TRADING SPECIFICATIONS

40302.A. Trading Schedule

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

40302.B. Trading Unit

The size of the unit of trading shall be \$20 times the respective CME Degree Days Index.

40302.C. Price Increments

The minimum price fluctuation on the respective CME Degree Days Index futures shall be 1 index point and have a value of \$20.

40302.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.

40302.E. [Reserved]

40302.F. [Reserved]

40302.G. Termination of Trading

Futures trading shall terminate at 9:00 a.m. on the second Exchange Business Day after the futures contract month.

40302.H. [Reserved]

40302.I [Reserved]

40303. SETTLEMENT PROCEDURES

40303.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Degree Days Index reported by Speedwell Settlement Services Ltd. for that city for that contract month, using the methodology in effect on that date, on the second Exchange Business Day after the futures contract month. For example, on January 5, 1999, the December 1998 futures contract on the CME Chicago HDD Index would have been settled at 940.5 Heating Degree Days.

40303.B. Final Settlement

Clearing members holding open positions in a CME Degree Days Index futures contract at the 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.

40304. [RESERVED]

40305. - 06. [RESERVED]

(End Chapter 403)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 403

LIMITATION OF LIABILITY AND DISCLAIMER

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