

Chapter 419

CME Metro Area Housing Index Futures

41900. SCOPE OF CHAPTER

This chapter is limited in application to futures in S&P/Core Logic Case-Shiller® Metro Area Home Price Indices (“SPCLCSIs”) based on residential housing values (“CME® Metro Area Housing Index futures”). In addition to this chapter, CME Metro Area Housing 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 to herein shall refer to and indicate Chicago time.

41901. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at \$250.00 times the reference S&P/Core Logic Case-Shiller Metro Area Home Price Index. The Exchange shall list futures based on SPCLCSIs representing housing values in each of the following metropolitan areas: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco, and Washington D.C. For example, the Boston metro area is referenced by the S&P/Core Logic Case-Shiller Boston Home Price Index.

41902. TRADING SPECIFICATIONS

41902.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.

41902.B. Trading Unit

The unit of trading shall be \$250.00 times the reference SPCLCSI.

41902.C. Price Increments

Bids and offers shall be quoted in terms of the reference SPCLCSIs. The minimum fluctuation of the futures contract shall be 0.20 index points, equivalent to \$50.00 per contract.

41902.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.

41902.E. [Reserved]

41902.F. [Reserved]

41902.G. Termination of Trading

Futures trading shall terminate at 2:00 pm on the Business Day preceding the day of final settlement price determination.

41902.H. [Reserved]

41902.I. [Reserved]

41903. SETTLEMENT PROCEDURES

Delivery under the CME Metro Area Housing Index Futures contract shall be by cash settlement.

41903.A. Final Settlement Price

The Final Settlement Price shall be the value of the reference S&P/Core Logic Case-Shiller Metro Area Home Price Index as determined for the three-month period ending two calendar months prior to the contract month. For the purpose of rule 41903.A., the period for which the index calculation is performed shall be referred to as the Data Period. For example, the Final Settlement Price for the August 2006 CME Metro Area Housing Index futures contract for Chicago metro will be the

S&P/Core Logic Case-Shiller Chicago Home Price Index as determined for the three-month Data Period of April 2006 through June 2006, scheduled for release in August 2006.

The scheduled release date for the reference SPCLCSIs is the last Tuesday of the contract month. If the last Tuesday of the contract month is not a Business Day, then the final settlement price will be determined on the Business Day immediately after the last Tuesday of the contract month.

In the event that the reference SPCLCSI is not published on the scheduled release date, the Final Settlement Price determination shall be postponed until the publication of the reference SPCLCSI.

In the event that the reference SPCLCSI cannot be determined for the relevant Data Period (the "Original Data Period"), for instance due to catastrophic events, the Final Settlement Price determination shall be postponed until the earliest possible time when the reference SPCLCSI can be determined. The Final Settlement Price shall be the first available subsequent SPCLCSI for the affected Metro Area, regardless of the underlying Data Period.

For example, the Original Data Period for the December 2007 S&P/Core Logic Case-Shiller San Francisco Home Price Index is the 3-month period October to December 2007. This is the reference SPCLCSI for the February 2008 CME San Francisco Housing Futures Index contract, and has not been determined due to a catastrophic event. The first available subsequent SPCLCSI for the metro area is the March 2008 S&P/Core Logic Case-Shiller San Francisco Home Price Index, which covers a 3-month Data Period January to March 2008. The Final Settlement Price for the February 2008 CME San Francisco Housing Index Futures contract shall be determined using the March 2008 SPCLCSI for this metro area, despite the fact that this SPCLCSI has a different Data Period than the Original Data Period.

In the event of a change to the base period, the Final Settlement Price for all listed contract months shall be determined by referencing the SPCLCSI calculated using the old base period. The Final Settlement Price for all subsequently listed contract months shall be determined by referencing the SPCLCSI calculated using the new base period.

41903.B. Final Settlement

Clearing members holding open positions in a CME Metro Area Housing Index 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.

41904.-05. [RESERVED]

(End Chapter 419)

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 419

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