

CME Group's 2018 Trading Challenge

Competition Rules, Regulations and Requirements

2018 Trading Challenge

Competition Rules, Regulations and Requirements

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2018 Trading Challenge

Overview

CME Group, in coordination with CQG, hosts an annual electronic trading competition exclusive to currently enrolled college and university students at the graduate and undergraduate levels.

This electronic trading team competition is designed to provide student teams with an educational experience consistent with that of professional trading of CME Group products. Teams trade using live data in a simulated environment.

- Students compete as school teams. Registered teams of 3 to 5 currently enrolled students will compete for cash prizes and unique CME Group experiences.
- Teams will use the CQG Integrated Client, CQG Desktop and CQG Mobile for iPhone to execute trades on the CME Globex platform. CQG will provide access to the technical analysis and trading software as well as training before the competition begins. **CQG's Integrated Client only works on a PC platform and port 2823 must be open in firewalls. The CQG help line is 24 hours a day.**

Teams should refer to the website www.cmegroup.com/tradingchallenge for updates and daily trading results during the competition.

2018 Trading Challenge

Competition Eligibility

- 3 graduate and 3 undergraduate teams are eligible to compete per school.
- Each team is required to have 3 to 5 students from the same undergraduate or graduate program.
- Every student involved must be enrolled in an accredited college or university at the undergraduate or graduate level. All participants must be enrolled for the duration of the competition at the university identified by the team lead in the registration form.
- Faculty Advisors are highly recommended to oversee each school's participation. Advisors will have early registration access to register their teams.
- A student who was part of a winning team in the previous year's competition is not eligible to win cash prizes during the current year's competition. If a team partially consists of members who were part of a previous year's winning team, that team is still eligible to win, but the ineligible member(s) will forfeit their portion of any cash prize.

Please Note:

- Teams may not mix graduate and undergraduate members.
- Recent graduates are not eligible to participate.
- Creating a team of students from different universities is not permitted.

NOTE: If it is discovered at any time before, during or after the competition that a team/individual does not meet ALL of the requirements listed above, that team/individual will be immediately disqualified and will forfeit any prizes.

2018 Trading Challenge

Registration

During the registration process, the faculty advisor or student leader is required to acknowledge that their entire team and its individual registrants are currently enrolled students. CME Group reserves the right to request official student enrollment verification at any time before, during or after the competition.

Teams will be confirmed as registered on a first come, first served basis. The team lead will receive an e-mail confirmation after their team has successfully registered. If your team has registered after the maximum number of teams has been reached, the team lead will be notified that they have been put on the Challenge waitlist. CME Group will contact waitlisted teams 72 hours after the close of registration with acceptance or denial of team status.

Teams can register at www.cmegroup.com/tradingchallenge

- Pre-registration (via Faculty Advisor) opens Monday, December 11, 2017 @ 10:00 a.m. CT
- Registration for general student population opens Monday, January 03, 2018 @ 10:00 a.m. CT
- Registration for the competition closes on Tuesday, February 15, 2018 @ 5:00 p.m. CT

2018 Trading Challenge

Competition Contracts

Agriculture

Corn Futures

Bursa Malaysia
Derivatives (BMD) Crude
Palm Oil Futures

Soybean Futures

Live Cattle Futures

Energy

Crude Oil Futures

Natural Gas Futures

Metals

Gold Futures

Equity Index

E-mini S&P 500 Futures

Interest Rates

10-Year U.S. Treasury
Note Futures

Foreign Exchange

EUR FX Futures

Teams may only trade the CME Group futures products listed above during the competition.

Competition products do not have specified contract months. Teams are responsible to be aware of first notice day and expiration days.

Teams are penalized \$10,000 per trading day for trades outside the specified products and \$1,000 for each contract not liquidated by expiration. All profits for these trades are expunged.

2018 Trading Challenge

Trading Rounds/Dates/Hours

Trading hours vary per contract. Please refer to the contract specifications for open and closing times.

NOTE: Competition trading start times (except the final round) do NOT coincide with CME GLOBEX trading openings. Teams in violation of specified start times below will be fined \$10,000 per occurrence.

Practice Round

- Begins Monday, January 08 @ 8:00 a.m. CT
- Concludes Monday, February 19 @ Markets Close

Preliminary Round

- Begins Tuesday, February 20 @ 8:00 a.m. CT
- Concludes Thursday, March 01 @ Market Close
- The top 10% of teams with the highest account balance at the market close on Thursday, March 01, will advance to the Final Round.

Final Round

- Begins Monday, March 05 @ Market Open
- Concludes Friday, March 16 @ Market Close
- The top 5 teams receive a cash prize and are determined by the final account balance at the conclusion of trading. All open contract commissions and penalties will be calculated and applied to determine final balance.
- A percentage of the top teams competing in the final round will be invited to Chicago for CME Group's Day of Market Education (number of invitees will be based on capacity of event space).

Challenge Specifications

Provided by CQG

Students are able to use three applications to execute trades during the competition. Each team will be receiving (1) a shared system login for CQG Integrated Client only and (2) live trading logins for every member of the team for use on ALL applications. It is important that each team member read the below instructions on how to access the competition for each application so your trades count.

Software		
CQG Integrated Client	Download	All teams will need to be in the LIVE TRADING SIMULATOR for your trades to count. Please CLICK HERE to prepare your system for live trading.
CQG Mobile for iPhone	Download	All team members need to make sure they are logged in through LIVE MODE for trades to count.
CQG Desktop	Access CQG Desktop from your browser	All team members need to make sure they are logged in through DEMO MODE for trades to count.

CQG will provide access to the technical analysis and trading software as well as training before the competition begins. CQG's software only works on a PC platform and port 2823 must be open in firewalls. The CQG help line is open 24 hours a day.

CONTINUED - Challenge Specifications

Provided by CQG

- CQG will create a simulated trading account for each team.
- Only one team member can be logged into the CQG IC trading platform at a time. If a second team member logs in while another team member is in the system, the first team member will be logged out.
- Algorithmic trading is not permitted.
- The top 5 teams, determined by the final account balance at the conclusion of the Championship Round, receive a cash prize. All cash prizes are distributed amongst confirmed registered team members. Each team member will receive their own check with their prize money. No lump sums will be awarded to the team lead or other team member. Please note, only team members that were confirmed prior to the start of the preliminary round are eligible for the prize.
- All members of a team receiving a cash prize will be required to fill out an individual W-9 or W-8 form and submit an unofficial transcript to claim their prize.
- In addition to the cash prize, each member of the first place winning team will be offered complimentary flights and three day accommodation to Chicago for the annual Day of Market Education conference in April. If any member of the team cannot attend this prize cannot be exchanged with a cash value or changed for another date.

All pertinent information regarding the competition will be communicated via e-mail to the e-mail addresses provided at registration. While each member of the team will receive this communication, it is the team leader's responsibility to make sure all members are adequately updated.

It is the team's responsibility to be aware of all trading rules, restrictions, contract specifications and expiration dates. Teams are penalized \$10,000 per trading day for trades outside the specified products and \$1000 for each contract not liquidated by expiration. All profits for these trades are expunged.

PLEASE NOTE: Any errors, omissions, or discrepancies in competition related materials and team trading activity that occur before, during or after the competition are subject to resolution by CME Group and CQG only. No exceptions.

Challenge Specifications

General Rules for Trading

- Beginning account balances:
 - Preliminary Round: \$100,000
 - Final Round: \$250,000 (Preliminary round results do not impact the final round starting account balance. All team accounts are reset after the preliminary round.)
- Teams are required to execute at least 10 contracts per day in one competition product or a combination of the competition products. Daily required minimum is 10 contracts, can be an entry (long or short) or an exit. It can also be any combination of 10 contracts which can result in open positions. Teams are penalized \$1,000 per trading day for every day they execute less than 10 contracts. Note: this means team volume traded each day must be a minimum of 10 contracts. If a spread trade is made in one of the exchange traded spreads, volume is the number of those spread contracts traded.
- We are accepting calendar spread trading when the spread is an exchange traded spread, that includes Gold Futures, Crude Oil Futures, Natural Gas Futures, Corn Futures, Soybean Futures, Bursa Malaysia Derivatives (BMD) Crude Palm Oil Futures, E-mini S&P 500 Futures, and EUR FX Futures cross rate. Syntax for the spreads are symbols followed by S1 for calendar spreads and W1 for reverse calendar spreads followed by the first month of the spread. For Example: CLES1H5 is buying the March Crude Oil Futures contract and selling the April Crude Oil Futures contract. Calendar spreads always buy the front month and sell the back month. The calendar spread symbols are CLES1, NGES1, GCES1, ZCES1, ZSES1, GLES1, MPOS1. Reverse calendar spreads always sell the front month and buy the back months. The reverse calendar spreads symbols are EPW1 and EU6W1. The system will automatically offset the margin on the position. All accounts should maintain proper margin at all times. Margin rates may fluctuate during the competition. Rates are available at [CME Group's Performance Bonds/Margins FAQ](#). Margins are also available on CQG Integrated Client (under the more button click on CSpec). Note: if a spread is “legged” the position will be margined as if it was two separate positions.
- The number of contracts traded is limited to the margin requirements posted in the rules.
- Teams are penalized \$10,000 a trading day for trades outside the specified products and \$1,000 for each contract not liquidated by expiration. All profits for these trades are expunged.
- A commission of \$2.50 is charged per traded contract (side).
- If a team loses 20% of its available account balance in one day, the account is locked for the remainder of the trading day.
- All accounts should maintain proper margin at all times, including the practice round. Margin rates may fluctuate during the competition. Rates are available at <http://www.cmegroup.com/clearing/cme-clearing-overview/performance-bonds.html>
- If a team's available balance drops below the required margin level, only orders that reduce or exit a position will be accepted.

Challenge Specifications

Prizes

- The top 5 teams, determined by the final account balance at the conclusion of the Championship Round, receive a cash prize.
- All cash prizes are distributed amongst confirmed registered team members. Each team member will receive their own check with their prize money noted below. No lump sums will be awarded to the team lead or other team member. Please note, only team members that were confirmed prior to the start of the preliminary round are eligible for the prize.

First Place Team:	\$1,500 per student
Second Place Team:	\$1000 per student
Third Place Team:	\$750 per student
Fourth Place Team:	\$500 per student
Fifth Place Team:	\$250 per student
- In addition to the cash prize, each member of the first place winning team will be offered complimentary flights and three day accommodation to Chicago for the annual Day of Market Education conference in April. If any member of the team cannot attend this prize cannot be exchanged with its cash value or changed for another date.
- All members of a team receiving a cash prize will be required to fill out an individual W-9 or W-8 form and submit an unofficial transcript to claim their prize.

Challenge Specifications – Agriculture

Corn - ZCE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Contract Size	5,000 bushels (~ 127 Metric Tons)
Deliverable Grade	#2 Yellow at contract Price, #1 Yellow at a 1.5 cent/bushel premium #3 Yellow at a 1.5 cent/bushel discount
Pricing Unit	Cents per bushel
Tick Size (minimum fluctuation)	1/4 of one cent per bushel (\$12.50 per contract)
Contract Months/Symbols	March (H), May (K), July (N), September (U) & December (Z)
Trading Hours	CME Globex: Sunday – Friday, 7:00 p.m. – 7:45 a.m. CT and Monday – Friday, 8:30 a.m. – 1:15 p.m. CT
Daily Price Limit	View Daily Price Limits for initial and expanded price limits. There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.
Settlement Procedure	Corn Settlement Procedures
Last Trade Date	The business day prior to the 15th calendar day of the contract month.
Last Delivery Date	Second business day following the last trading day of the delivery month.
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CBOT.

Challenge Specifications – Agriculture

Bursa Malaysia Derivatives (BMD) Crude Palm Oil Futures – MPOS1

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Underlying Instrument	Crude Palm Oil
Contract Size	25 metric tons
Minimum Price Fluctuation	RM1 per metric ton
Daily Price Limits	<p>With the exception of trades in the spot month, trades for future delivery of Crude Palm Oil in any month shall not be made, during any one Business Day, at prices varying more than 10% above or below the settlement prices of the preceding Business Day ("the 10% Limit") except as provided below. When at least 3 non-spot month contracts are trading at the 10% Limit, the Exchange shall announce a 10-minute cooling off period ("the Cooling Off Period") for all contract months (except the spot month) during which trading shall only take place within the 10% Limit. Following the Cooling Off Period, all contract months shall be specified as interrupted for a period of 5 minutes, after which the prices traded for all contract months (except the spot month) shall not vary more than 15% above or below the settlement prices of the preceding Business Day ("the 15% Limit"). If the 10% Limit is triggered less than 30 minutes before the end of the first trading session, the following shall apply:-</p> <ul style="list-style-type: none"> a.the contract months shall not be specified as interrupted; b.the 10% Limit shall be applied to all contract months (except the spot month) for the rest of the first trading session; and c.the 15% Limit shall be applied for all contract months (except the spot month) during the second trading session. <p>If the 10% Limit is triggered less than 30 minutes before the end of the second trading session, the 10% Limit shall be applied to all contract months (except the spot month) for the rest of the Business Day.</p>
Contract Months	Spot month and the next 5 succeeding months, and thereafter, alternate months up to 24 months ahead
Trading Hours	<ul style="list-style-type: none"> •First trading session: Malaysian time 10:30 a.m. to 12:30 p.m. •Second trading session: Malaysian time 3:00 p.m. to 6:00 p.m.

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Challenge Specifications – Agriculture

Bursa Malaysia Derivatives (BMD) Crude Palm Oil Futures – MPO

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Speculative Position Limits	<ul style="list-style-type: none">•The maximum number of net long or net short positions which a client or a participant may hold or control is: 800 contracts for the spot month•10,000 contracts for any one contract month except for spot month•15,000 contracts for all months combined <p>The above position limit will be a combined limit for Crude Palm Oil Futures Contracts and Options on Crude Palm Oil Futures. (Please note that spot month futures limit will not be applicable to the options)</p>
Final Trading Day and Maturity Date	Contract expires at noon on the 15th day of the delivery month, or if the 15th is a non-market day, the preceding Business Day.
Tender Period	1st Calendar Day to the 20th Calendar Day of the spot month, or if the 20th is a non-market day, the preceding Business Day.
Contract Grade and Delivery Points	<p>Crude Palm Oil of good merchantable quality, in bulk, unbleached, in Port Tank Installations approved by the Exchange located at the option of the seller at Port Kelang, Penang/Butterworth and Pasir Gudang (Johor). Free Fatty Acids (FFA) of palm oil delivered into Port Tank Installations shall not exceed 4% and from Port Tank Installations shall not exceed 5%.</p> <p>Moisture and impurities shall not exceed 0.25%.</p> <p>Deterioration of Bleachability Index (DOBI) value of palm oil delivered into Port Tank Installations shall be at a minimum of 2.5 and of palm oil delivered from Port Tank Installations shall be at a minimum of 2.31.</p>
Deliverable Unit	<p>a.25 metric tons, plus or minus not more than 2%.</p> <p>Settlement of weight differences shall be based on the simple average of the daily Settlement Prices of the delivery month from: The 1st Business Day of the delivery month to the day of tender, if the tender is made before the last trading day of the delivery month; or</p> <p>b.The 1st Business Day of the delivery month to the last day of trading, if the tender is made on the last trading day or thereafter</p>

Challenge Specifications – Agriculture

Soybeans - ZSE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Contract Size	5,000 bushels (~136 metric tons)
Deliverable Grade	#2 Yellow at contract price, #1 Yellow at a 6 cent/bushel premium, #3 Yellow at a 6 cent/bushel discount
Pricing Unit	Cents per bushel
Tick Size (minimum fluctuation)	1/4 of one cent per bushel (\$12.50 per contract)
Contract Months/Symbols	January (F), March (H), May (K), July (N), August (Q), September (U) & November (X)
Trading Hours	CME Globex: Sunday – Friday, 7:00 p.m. – 7:45 a.m. CT and Monday – Friday, 8:30 a.m. – 1:15 p.m. CT
Daily Price Limit	View Daily Price Limits for initial and expanded price limits. There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.
Settlement Procedure	Soybean Settlement Procedures
Last Trade Date	The business day prior to the 15th calendar day of the contract month.
Last Delivery Date	Second business day following the last trading day of the delivery month.
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CBOT.

Challenge Specifications – Agriculture

Live Cattle - GLE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Contract Size	40,000 pounds (~18 metric tons)
Product Description	55% Choice, 45% Select, Yield Grade 3 live steers (or live heifers, effective with the August 2015 contract)
Pricing Unit	Cents per pound
Tick Size (minimum fluctuation)	\$.00025 per pound (= \$10 per contract)
Daily Price Limits	\$0.03 per pound above or below the previous day's settlement price; \$0.05 per pound above or below the previous day's settlement price for expiring contract in last 2 trading days.
Trading Hours (All times listed are Central Time)	CME Globex: MON 9:05 a.m. - FRI 1:55 p.m. Central Time Daily trading halts 4:00 p.m. - 5:00 p.m. Central Time
Last Trade Date/Time View Calendar	Last business day of the contract month, 12:00 p.m.
Contract Months View Listings	Feb, Apr, Jun, Aug, Oct, Dec
Settlement Procedure	Live Cattle Settlement Procedures
Position Limits	Non-Spot: 6,300 contracts in any contract month Spot: 450/300 contracts All months combined: n/a See CME Rule: 10102.E
Rulebook Chapter	101
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CME.

Challenge Specifications – Energy

Crude Oil - CLE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Hours (All Times are New York Time/ET)	CME Globex: Sunday - Friday 6:00 p.m. - 5:15 p.m. New York time/ET (5:00 p.m. - 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
Contract Unit	1,000 barrels
Price Quotation	U.S. Dollars and Cents per barrel
Minimum Fluctuation	\$0.01 per barrel
Maximum Daily Price Fluctuation	Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$10.00 per barrel above or below the previous day's settlement price for such contract month. If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the CL futures contract, as well as all contract months in all products cited in the Associated Products Appendix of rule 200.06. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Products Appendix which may be available for trading on either Globex or on the Trading Floor shall additionally be subject to a coordinated trading halt.
Termination of Trading	Trading in the current delivery month shall cease on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day. In the event that the official Exchange holiday schedule changes subsequent to the listing of a Crude Oil futures, the originally listed expiration date shall remain in effect. In the event that the originally listed expiration day is declared a holiday, expiration will move to the business day immediately prior.
Listed Contracts	Crude oil futures are listed nine years forward using the following listing schedule: consecutive months are listed for the current year and the next five years; in addition, the June and December contract months are listed beyond the sixth year. Additional months will be added on an annual basis after the December contract expires, so that an additional June and December contract would be added nine years forward, and the consecutive months in the sixth calendar year will be filled in. Additionally, trading can be executed at an average differential to the previous day's settlement prices for periods of two to 30 consecutive months in a single transaction. These calendar strips are executed during open outcry trading hours.
Settlement Type	Physical
Settlement Procedure	Crude Oil Futures Settlement Procedures
Trading at Settlement (TAS)	Trading at settlement is available for spot (except on the last trading day), 2nd, 3rd and 4th months and subject to the existing TAS rules. Trading in all TAS products will cease daily at 2:30 PM Eastern Time. The TAS products will trade off of a "Base Price" of 0 to create a differential (plus or minus 10 ticks) versus settlement in the underlying product on a 1 to 1 basis. A trade done at the Base Price of 0 will correspond to a "traditional" TAS trade which will clear exactly at the final settlement price of the day.

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Challenge Specifications – Energy

Crude Oil - CLE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Trade at Marker (TAM)	<p>TAM trading is analogous to our existing Trading at Settlement (TAS) trading wherein parties will be permitted to trade at a differential that represents a not-yet-known price. TAM trading will use a marker price, whereas TAS trading uses the Exchange-determined settlement price for the applicable contract month. As with TAS trading, parties will be able to enter TAM orders at the TAM price or at a differential between one and ten ticks higher or lower than the TAM price. Trading at marker is available for spot month on the last trading day.</p> <p>Light Sweet Crude Oil (CL) spot, 2nd and 3rd months and nearby/second month, second/third month and nearby/third month calendar spreads</p> <p>No-Activity Periods: 4:30 p.m. London time - 5:50 p.m. Eastern time Monday - Thursday 4:30 p.m. London time Friday - 5:20 p.m. Eastern time Sunday</p>
Delivery	<p>Delivery shall be made free-on-board ("F.O.B.") at any pipeline or storage facility in Cushing, Oklahoma with pipeline access to Enterprise, Cushing storage or Enbridge, Cushing storage. Delivery shall be made in accordance with all applicable Federal executive orders and all applicable Federal, State and local laws and regulations.</p> <p>At buyer's option, delivery shall be made by any of the following methods: (1) by interfacility transfer ("pumpover") into a designated pipeline or storage facility with access to seller's incoming pipeline or storage facility; (2) by in-line (or in-system) transfer, or book-out of title to the buyer; or (3) if the seller agrees to such transfer and if the facility used by the seller allows for such transfer, without physical movement of product, by in-tank transfer of title to the buyer.</p>
Delivery Period	<p>(A) Delivery shall take place no earlier than the first calendar day of the delivery month and no later than the last calendar day of the delivery month.</p> <p>(B) It is the short's obligation to ensure that its crude oil receipts, including each specific foreign crude oil stream, if applicable, are available to begin flowing ratably in Cushing, Oklahoma by the first day of the delivery month, in accord with generally accepted pipeline scheduling practices.</p> <p>(C) Transfer of title-The seller shall give the buyer pipeline ticket, any other quantitative certificates and all appropriate documents upon receipt of payment.</p> <p>The seller shall provide preliminary confirmation of title transfer at the time of delivery by telex or other appropriate form of documentation.</p>
Grade and Quality Specifications	Please see rulebook chapter 200
Position Limits	NYMEX Position Limits
Rulebook Chapter	NYMEX 200
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of NYMEX.

Challenge Specifications – Energy

Henry Hub Natural Gas - NGE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Hours (All Times are New York Time/ET)	CME Globex: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
Contract Unit	10,000 million British thermal units (mmBtu).
Pricing Quotation	U.S. dollars and cents per mmBtu.
Minimum Price Increment	\$0.001 per MMBtu
Maximum Daily Price Fluctuation	Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$1.50 per MMBtu above or below the previous day's settlement price for such contract month. If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the NG futures contract, as well as all contract months in all products cited in the Associated Product Appendix of rule 220.08. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor shall additionally be subject to a coordinated trading halt.
Termination of Trading	Trading of any delivery month shall cease three (3) business days prior to the first day of the delivery month. In the event that the official Exchange holiday schedule changes subsequent to the listing of a Natural Gas futures, the originally listed expiration date shall remain in effect. In the event that the originally listed expiration day is declared a holiday, expiration will move to the business day immediately prior.
Listed Contracts	118 consecutive months
Trading at Settlement (TAS)	Trading at settlement is available for spot (except on the last trading day), 2nd, 3rd and 4th months and subject to the existing TAS rules. Trading in all TAS products will cease daily at 2:30 PM Eastern Time. The TAS products will trade off of a "Base Price" of 0 to create a differential (plus or minus 10 ticks) versus settlement in the underlying product on a 1 to 1 basis. A trade done at the Base Price of 0 will correspond to a "traditional" TAS trade which will clear exactly at the final settlement price of the day.
Settlement Type	Physical
Settlement Procedure	Natural Gas Futures Settlement Procedures
Grade and Quality Specifications	Natural Gas meeting the specifications set forth in the FERC-approved tariff of Sabine Pipe Line Company as then in effect at the time of delivery shall be deliverable in satisfaction of futures contract delivery obligations.
Position Limits	NYMEX Position Limits
Rulebook Chapter	NYMEX 220
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of NYMEX.

Challenge Specifications – Metals

Gold Futures - GCE

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Hours (All Times are New York Time/ET)	CME Globex: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT)
Contract Size	100 troy ounces
Price Quotation	U.S. Dollars and Cents per troy ounce
Minimum Fluctuation	\$0.10 per troy ounce
Termination of Trading	Trading terminates on the third last business day of the delivery month.
Listed Contracts	Trading is conducted for delivery during the current calendar month; the next two calendar months; any February, April, August, and October falling within a 23-month period; and any June and December falling within a 72-month period beginning with the current month.
Settlement Type	Physical
Settlement Procedure	Gold Settlement Procedures
Delivery Period	Delivery may take place on any business day beginning on the first business day of the delivery month or any subsequent business day of the delivery month, but not later than the last business day of the current delivery month.
Trading at Settlement (TAS)	Trading at Settlement is allowed in the active contract month. The active contract months will be February, April, June, August and December. On any given date, TAS transactions will be allowed only in a single contract month. TAS transactions may be executed at the current day's settlement price or at any valid price increment ten ticks higher or lower than the settlement price.
Grade and Quality Specifications	Gold delivered under this contract shall assay to a minimum of 995 fineness.
Position Limits	NYMEX Position Limits
Rulebook Chapter	COMEX 113
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of COMEX

Challenge Specifications – Equity Index

E-mini S&P 500 Futures - EP

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Opening Date	9/9/1997
Contract Size	\$50 x S&P 500 Index
Tick Size (minimum fluctuation)	OUTRIGHT: 0.25 index points=\$12.50
	CALENDAR SPREAD: 0.05 index points=\$2.50
Trading Hours All time listed are Central Time	CME Globex: MON – FRI: 5:00 p.m. previous day – 4:15 p.m.; trading halt from 3:15 p.m. – 3:30 p.m.
Contract Months	Five months in the March Quarterly Cycle (Mar, Jun, Sep, Dec)
Last Trade Date/Time View Calendar	CME Globex: Trading can occur up to 8:30 a.m. on the 3rd Friday of the contract month
Settlement Procedure	E-mini S&P 500 Settlement Procedures
Daily Price Limits	Price Limits
Position Limits	CME Position Limits
Rulebook Chapter	CME 358
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CME.

Challenge Specifications – Interest Rates

10-year U.S. Treasury Note Futures - TYA

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Underlying Unit	One U.S. Treasury note having a face value at maturity of \$100,000.
Deliverable Grades	U.S. Treasury notes with a remaining term to maturity of at least six and a half years, but not more than 10 years, from the first day of the delivery month. The invoice price equals the futures settlement price times a conversion factor, plus accrued interest. The conversion factor is the price of the delivered note (\$1 par value) to yield 6 percent.
Price Quote	Points (\$1,000) and halves of 1/32 of a point. For example, 126-16 represents 126 16/32 and 126-165 represents 126 16.5/32. Par is on the basis of 100 points.
Tick Size (minimum fluctuation)	One-half of one thirty-second (1/32) of one point (\$15.625, rounded up to the nearest cent per contract), except for intermonth spreads, where the minimum price fluctuation shall be one-quarter of one thirty-second of one point (\$7.8125 per contract).
Contract Months	The first five consecutive contracts in the March, June, September, and December quarterly cycle.
Last Trading Day	Seventh business day preceding the last business day of the delivery month. Trading in expiring contracts closes at 12:01 p.m. on the last trading day.
Last Delivery Day	Last business day of the delivery month.
Delivery Method	Federal Reserve book-entry wire-transfer system.
Settlement Procedure	Treasury Settlement Procedures
Position Limits	CBOT Position Limits
Block Minimum	Block Minimum Thresholds
All or None Minimum	All or None Minimums
Rulebook Chapter	CBOT Chapter 19
Trading Hours (All times listed are Central Time)	CME Globex: SUN - FRI: 5:00 p.m. - 4:00 p.m.
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CBOT.

Challenge Specifications – Foreign Exchange

EUR FX Futures – EU6

Note: Margin amounts are subject to change. Check here for current amounts: www.cmegroup.com/clearing/margins

Contract Size	125,000 euro
Contract Month Listings	Twenty months in the March quarterly cycle (Mar, Jun, Sep, Dec)
Settlement Procedure	Physical Delivery EUR/USD Futures Settlement Procedures
Position Accountability	10,000 contracts
Minimum Price Increment	\$.0001 per euro increments (\$12.50/contract). \$.00005 per euro increments (\$6.25/contract) for EUR/USD futures intra-currency spreads executed on the trading floor and electronically, and for AON transactions.
Trading Hours	CME Globex: Sundays: 5:00 p.m. – 4:00 p.m. Central Time (CT) next day. Monday – Friday: 5:00 p.m. – 4:00 p.m. CT the next day, except on Friday - closes at 4:00 p.m. and reopens Sunday at 5:00 p.m. CT
Last Trade Date / Time View calendar	9:16 a.m. Central Time (CT) on the second business day immediately preceding the third Wednesday of the contract month (usually Monday).
Exchange Rule	These contracts are listed with, and subject to, the rules and regulations of CME.
Block Trade Minimum	Block Minimum Thresholds

Challenge Specifications

Delivery Month Codes

F January	G February	H March	J April
K May	M June	N July	Q August
U September	V October	X November	Z December

Challenge Specifications

Contract Calendar

Product	Calendar Link
Corn Futures	CLICK HERE: CME GROUP CORN FUTURES CALENDAR
Bursa Malaysia Derivatives Crude Palm Oil Futures	CLICK HERE: BURSA MALAYSIA DERIVATIVES CRUDE PALM OIL FUTURES
Soybean Futures	CLICK HERE: CME GROUP SOYBEAN FUTURES CALENDAR
Live Cattle Futures	CLICK HERE: CME GROUP LIVE CATTLE CALENDAR
Crude Oil Futures	CLICK HERE: CME GROUP CRUDE OIL FUTURES CALENDAR
Natural Gas Futures	CLICK HERE: CME GROUP NATURAL GAS FUTURES CALENDAR
Gold Futures	CLICK HERE: CME GROUP GOLD FUTURES CALENDAR
10-Year U.S. Treasury Note Futures	CLICK HERE: CME GROUP 10-YEAR U.S. TREASURY NOTE FUTURES CALENDAR
E-mini S&P 500 Futures	CLICK HERE: CME GROUP E-MINI S&P 500 FUTURES CALENDAR
EUR FX Futures	CLICK HERE: CME GROUP EUR FX FUTURES CALENDAR

Challenge Specifications

Challenge Specific Definitions

- Trade – Teams are required to execute at least 10 contracts per day in one competition product or a combination of the competition products. Daily required minimum is 10 contracts, can be an entry (long or short) or an exit. It can also be any combination of 10 contracts which can result in open positions. Teams are penalized \$1,000 per trading day for every day they execute less than 10 contracts. Note: this means team volume traded each day must be a minimum of 10 contracts.
- Open equity – the unrealized gain or loss of an open position.
- Marked to market – Calculating the total equity or open equity based on the most recent day's settlement price.
- Daily account value – based on the closed trades at the end of the day and does not reflect open trade equity of positions.
- Commission – \$2.50 per contract side (= \$5.00 per trade). When trading the required amount will be charged a minimum of \$25.00 commission per day.

Challenge Specifications

Penalties

- Not executing 10 required contracts per day – \$1,000 per day.
- Teams are penalized \$1,000 per contract not liquidated by expiration.
- Open contracts at the conclusion of a round – \$1,000 per contract plus commission expenses on the open contracts. Open trade equity profit and loss will be removed to determine the final account balance.
- Trading outside the specified products - \$10,000 per trading day . All profits & losses for these trades are expunged.
- Trading before the preliminary round begins at 8:00 a.m. CT on Tuesday, February 3 - \$10,000 penalty.

Challenge Specifications

Profit and Loss

Profit / Loss Calculation Example:

If you buy 10 lots of NYMEX Crude Oil at \$94.43 and liquidate the position by selling 10 at \$95.27, you have made \$0.84 (points) on 10 lots. The price per tick for NYMEX Crude Oil is \$10.00. The following procedure provides an elementary example of calculating profit or loss.

** Refer to the Contract Specifications page for calculation details.*

*** Always use the decimal point in the calculation.*

Step 1: *Calculate Point Difference*

Sell Price (95.27) – Buy Price (94.43) = Point Difference (.84)

Step 2: *Calculate Profit/Loss*

Point Difference (.84) * Contract Size (1,000) * # of Contracts (10)=
Profit/Loss (8,400)

Profit of \$8,400.00

Challenge Specifications

Buying and Selling

If you buy to initiate a position, your account is “long.”

If you sell to initiate a position, your account is “short.”

If you are long 10 lots of April Crude Oil, you can sell 10 lots of April Crude Oil to liquidate the position and become “flat”.

You can also increase your position or reverse and go short 10 contracts by selling 20.

Open positions are marked to market (the most recent day’s settlement price). You do not realize a profit or loss until you liquidate your position. Note: Net change in CQG is calculated from last trade not settlement by default.

To calculate your profit or loss, you should use the criteria specific for each commodity.

All executions should be manually recorded and checked daily against the CQG trade log.

Challenge Specifications

Order Types

Market Order (MKT) – The order is submitted without a price.
A Market order is executed immediately at the current bid or offer.

Buy orders are executed at best offer, sell orders are executed at best bid.

Limit Order – The order is submitted with a specific price limit or better.
You will be filled at the stated price limit.
Buy Limit orders should be entered below the current market.
Sell Limit orders should be entered above the current market.

Stop Order (X) - A Stop order is a resting order used to initiate or offset a position at a specific price level, however the order may not be filled at the exact price selected.
A Stop order becomes a Market order when the market reaches the stated price level and are executed at the best bid for sales and the best offer for buys at that time.

Sell Stop orders should be entered below the current market.
Buy Stop orders should be entered above the current market.

Challenge Specifications

How are your orders filled?

- Market orders are filled immediately at the best bid for sales or the best offer for buys.
- Limit orders are filled when the market trades at the limit price.
- Stop orders become market orders and are filled when the market trades at the stop price.

Resources and Glossary

Additional Resources

- [CME Group Glossary](#)
- [Futures Fundamentals](#)
- [CME Group Stories of Financial Ingenuity and Innovation](#)
- [CME Group Visitor Information](#)
- [CME Group Magazine and Blog](#)
- [CME Group Education](#)
- [CME Group Electronic Trading](#)
- [CME Group Media Room](#)
- [CME Group Trading Challenge Homepage](#)
- [CQG Trading Challenge Homepage](#)

Contact Information

- For all software related questions and concerns:
CQG Support
E-mail: TradingChallenge@cqq.com
Phone: 212.809.8893 (*available 24 hours a day*)
- For all other questions:
CME Group
Corporate Marketing & Event Management
E-mail: trading.challenge@cmegroup.com

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Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

Swaps trading is not suitable for all investors, involves the risk of loss and should only be undertaken by investors who are ECPs within the meaning of section 1(a)12 of the Commodity Exchange Act. Swaps are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a swaps position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

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and
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