

Chapter 80 2-Year Yield Futures

80100. SCOPE OF CHAPTER

This chapter is limited in application to 2-Year Yield futures (“futures” or “contract”). The procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

Unless otherwise specified, times referenced herein shall indicate Chicago time.

80101. CONTRACT SPECIFICATIONS

Each contract is valued at \$1000 times the contract-grade Index (Rule 80102.C).

80102. TRADING SPECIFICATIONS

The number of contract expiration months open for trading at a given time shall be determined by the Exchange.

80102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

80102.B. Trading Unit

For a contract for a given delivery month, the unit of trading shall be the BrokerTec US Treasury Benchmark for the on-the-run 2 Year U.S. Treasury Note, expressed as a Volume Weighted Average Yield (VWAY), for which each basis point shall be worth \$10 per futures contract. The 15:00 Eastern Time (ET) fixing price shall be used, or if unavailable the most recently available fixing shall be used.

Example: On days where the cash Treasury market has a recommended Early Close, the most recently available Benchmark may be the 11:00 ET fixing price.

80102.C. Price Increments

Contract prices shall be quoted in percentage points of yield per annum. The minimum price fluctuation shall be 0.001 Index points, equal to \$1.00 per contract, or \$1000 per Index point. For intermonth spreads the minimum price fluctuation shall also be 0.001 Index points (equal to \$1.00 per contract).

Example: A BrokerTec US Treasury Benchmark Yield of 1.501 shall correspond to a contract price of 1.501 and an interest rate of 1.501%.

80102.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Limits Table in the Interpretations & Special Notices Section of Chapter 5.

80102.E. 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.

80102.F. Termination of Trading

Trading in an expiring contract shall terminate at 15:00 ET on the last Business Day of such contract's delivery month.

80103. DELIVERIES ON EXPIRING FUTURES CONTRACTS

On its last day of trading, an expiring contract shall be marked to market by reference to the Exchange daily settlement price for such contract.

Delivery on expiring contracts that remain outstanding following termination of trading shall be made by cash settlement through the Clearing House following normal variation margin procedures. The final mark

to market on any such expiring contract shall be made on the day such contract's final settlement price is determined, by reference to such contract's final settlement price.

Such final settlement price shall be calculated by the Exchange on the business day on which CME Group Benchmark Administration Limited publishes the 15:00 ET fixing rate for the last day of such expiring contract's delivery month, or if unavailable the most recently available fixing shall be used. The rate for the last day of such expiring contract's delivery month shall be as first published by CME Group Benchmark Administration Limited.

Such rate shall be rounded to the nearest one tenth of one basis point per annum, ie, 0.001. Tie values, i.e., any such arithmetic average value ending in 0.0005, shall be rounded up. (For example, a value of 2.5915 percent per annum would be rounded up to 2.592 percent per annum.)