

Chapter 261J

Euro/U.S. Dollar (“EUR/USD”) Realized Variance Futures

261J.00. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

261J.01. CONTRACT SPECIFICATIONS

The Floating Index Price or Realized Variance shall be calculated as the annualized variance of the continuously compounded percentage returns from one observation point to the next over the life of the contract. The Realized Variance will be calculated by formula. The formula shall be

$$\frac{252}{n} \cdot \sum_{i=1}^n \left[\left(\ln \left(\frac{S_i}{S_{i-1}} \right) \right)^2 \right] * 10,000$$

Rounded to the nearest .01 index point.

Where

n Number of observations taken in the life of the contract

i The period being observed

S_i The 4:00 p.m. fixing price of the Spot Euro/U.S. Dollar as reported by Bloomberg. Daily observation points shall be included in the calculation of the Floating Index Price or Realized Variance when provided by Bloomberg, with the noted exceptions being when a holiday in the United States, the United Kingdom, and Germany coincide.

261J.02. TRADING SPECIFICATIONS

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

261J.02.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

261J.02.B. Trading Unit

The contract value shall be \$1 times the Euro/U.S. Dollar Floating Variance Index.

261J.02.C. Price Increments

Prices shall be quoted in hundredths of index points. The minimum price fluctuation shall be 0.01 index point. There shall be no maximum price fluctuation.

261J.02.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.

261J.02.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

261J.03. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

261J.04. DISCLAIMER

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