

Chapter 389

E-mini S&P/BMV IPC Index Futures

38900. SCOPE OF CHAPTER

This chapter is limited in application to E-mini S&P/BMV IPC Index futures ("futures"). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange as applicable. For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Eastern Prevailing time ("EPT").

38901. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at MXN 5 times the S&P/BMV IPC Index ("Index").

38902. TRADING SPECIFICATIONS

38902.A. Trading Schedule

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

38902.B. Trading Unit

The unit of trading shall be MXN 5 times the Index.

38902.C. Price Increments

Bids and asks shall be quoted in Index points. The minimum price increment of the futures contract shall be 5 Index points, equivalent to MXN 25 per contract. For transactions submitted through CME ClearPort, the minimum price increment shall be 1 Index point, equivalent to MXN 5 per contract.

38902.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.

38902.E. [Reserved]

38902.F. [Reserved]

38902.G. Termination of Trading

Trading in expiring futures shall terminate at 4:00 p.m. EPT on the Exchange Business Day scheduled for determination of the Final Settlement Price (Rule 38903.A.) for such futures.

If the day of Final Settlement Price determination (Rule 38903.A.) is not a business day in Mexico, trading in the expiring futures shall terminate at the close of the trading on the preceding Exchange Business Day.

If the day of Final Settlement Price determination (Rule 38903.A.) is not an Exchange Business Day, trading shall terminate at 1:00 p.m. EPT on the third Friday of the delivery month.

38902.H. [Reserved]

38902.I. Price Limits and Trading Halts

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

For the purpose of this Rule the Exchange shall determine, in its sole discretion, the futures delivery month that represents the Primary Futures Contract Month and when such Primary Futures Contract Month is limit bid or limit offered.

Daily Determination of Price Limits

For a given Business Day, Price Limits applicable to a futures contract for a given delivery month shall be calculated based on the corresponding Reference Price as noted below.

1. Reference Price for Exchange Price Limits and Exchange Trading Halts:

Daily price limits in futures will be established relative to the contract rounded Reference Price ("P") which shall be determined by the Exchange as follows:

Tier 1 The Reference Price shall be equal to the volume-weighted average price of the S&P/BMV IPC Index Futures executed on the Exchange from 3:55 p.m. to 4:00 p.m. EPT, (Reference Interval).

Tier 2 If no transactions occur during the Reference Interval, the Reference Price shall be the volume-weighted average of the outstanding bid/ask spread at the end of the trading session.

Tier 3 If the Reference Price cannot be determined pursuant to Tiers 1 and 2 above, the Exchange shall derive the Reference Price based on the basis relationship to the underlying cash Index close level.

2. Exchange Price Limit Levels:

Price Limits shall be calculated daily based upon the rounded Reference Price, P.

Exchange Price Limits from 9:30 a.m. to 3:25 p.m. EPT:

From 9:30 a.m. EPT until and including 3:25 p.m. EPT, futures for a given delivery month shall be subject to the corresponding Price Limits pursuant to this Rule as follows:

There shall be no futures trading at any price strictly lower than the corresponding 7% Price Limit, unless the Primary Futures Contract Month becomes limit offered at its 7% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 7% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 7% Price Limit, futures trading shall continue subject to the corresponding 13% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 7% Price Limit, futures trading shall halt for two (2) minutes and shall then resume subject to the corresponding 13% Price Limit.

At such time as the Primary Futures Contract Month becomes limit offered at its 13% Price Limit, the Exchange shall initiate a 2-minute observation interval. At the conclusion of such observation interval:

If the Primary Futures Contract Month is not limit offered at its 13% Price Limit, futures trading shall continue subject to the corresponding 20% Price Limit.

If the Primary Futures Contract Month remains limit offered at its 13% Price Limit, futures trading shall halt for two (2) minutes and shall then resume subject to the corresponding 20% Price Limit.

There shall be no futures trading at any price strictly lower than the corresponding 20% Price Limit.

Application of Price Limits from 3:25 p.m. to 4:00 p.m. EPT:

From 3:25 p.m. to 4:00 p.m. EPT, or from 12:25 a.m. to 1:00 p.m. EPT in the case of an early scheduled close on the Exchange, trading in futures for a given delivery month shall be subject only to the corresponding 20% Price Limit.

Exchange Price Limits from 4:00 p.m. to 9:30 a.m. EPT:

There shall be no trading of futures at any price outside the range defined by the 7% Price Limits, where such 7% Price Limits are calculated on the basis of the Reference Price determined by the Exchange immediately prior to the most recent Exchange closing auction. During this period of time, the contract shall also be subject to dynamic price fluctuation limits as set forth in Rule 589.D. and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

38903. SETTLEMENT PROCEDURES

Final settlement of the S&P/BMV IPC Index futures contract shall be by cash settlement.

38903.A. Final Settlement Price

For a future contract for a given delivery month, the Final Settlement Price shall be determined on the third Friday of such delivery month and shall be based on the official closing value of the S&P/BMV IPC Index for that day.

If the Index is not scheduled to be published on the third Friday of such delivery month, then such Final Settlement Price shall be scheduled for determination on the first preceding Business Day on which the Index is scheduled to be published.

Final Settlement Price will be published at 4:00 p.m. EPT if the Exchange closes early at 1:00 p.m. EPT on a U.S. holiday.

38903.B. Final Settlement

Clearing members holding open positions in an expiring futures contract at its termination of trading (Rule 38902.G.) shall make payment to or receive payment from Clearing House in accordance with normal variation margin procedures based on such expiring contracts' Final Settlement Price (Rule 38903.A.).

38904. [RESERVED]

38905. [RESERVED]

38906. BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

38906.A. BTIC Block Trade Requirements BTIC block trades must be executed in accordance with the requirements of Rule 526. For a BTIC or BTIC block trade executed on a given Trading Day on or before the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day.

For a BTIC or BTIC block trade that is executed on a given Trading Day after the scheduled close of the Primary Listing Exchange, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

38906.B. BTIC Price Assignment Procedures

The price assignment procedures for BTIC transactions shall follow Rule 524.B.3.

38906.C. BTIC Minimum Price Increments

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 1 Index point, equivalent to MXN 5.

38906.D. Market Disruption Events

In the event of a market disruption in the Primary Listing Exchange, all pending and executed BTIC transactions in the corresponding futures contract shall be cancelled by the Exchange. Such disruption shall be declared by the Exchange in its sole discretion, and may include, without limitation, an unscheduled early close of the Primary Listing Exchange.