

Chapter 475

Mexican Funding TIIE (Monthly Contracts) Futures

47500. SCOPE OF CHAPTER

This chapter is limited in application to Mexican Funding TIIE (Monthly Contracts) Futures (“futures” or “contract”). In addition to this chapter, futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

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

47501. CONTRACT SPECIFICATIONS

Each contract is valued at 20,000 times the contract-grade IMM Index (Rule 47002.C.).

47502. TRADING SPECIFICATIONS

47502.A. Trading Schedule

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

47502.B. Trading Unit

For a contract for a given delivery month, the unit of trading shall be compounded daily Overnight Funding TIIE Rate (F-TIIE) interest during the contract Reference Month (Rule 47503.A.1.), expressed as an interest rate per annum for which (i) such interest rate shall accrue on the basis of the actual number of days spanned by such contract Reference Month, divided by a 360-day year, and (ii) each basis point per annum of such interest rate shall be worth 200 Mexican Pesos per futures contract. The F-TIIE shall be published by the Banco de Mexico.

47502.C. Price Basis and Minimum Price Increments

For a contract for a given delivery month, prices shall be quoted and made in terms of the contract IMM Index (“Index”), 100.0000 minus compounded daily F-TIIE interest rate during the contract Reference Month, as specified in Rule 47502.B.

Example: Where the value of such compounded daily F-TIIE is 4.06 percent per annum, it shall be quoted as an Index value of 95.94.

The minimum price fluctuation shall be 0.005 Index points, equal to 100 Mexican Pesos per contract.

47502.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.

47502.E. 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 Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

47502.F. [Reserved]

47502.G. Termination of Trading

Trading in an expiring contract shall terminate at 5:00 p.m. Mexico City time on the last Mexican Business day of the month.

47502.H. [Reserved]

47503. SETTLEMENT PROCEDURES

Delivery shall be by cash settlement in Mexican Pesos.

47503.A. Final Settlement Price**1. Definition of Reference Month**

For a contract for a given delivery month, the Reference Month shall be the interval that begins on the first day of each month and ends on the last day of the same month.

Example: For a hypothetical contract for which the delivery month is June 2021, the Contract Reference Period shall start on Tuesday, June 1, 2021. The Contract Reference Period shall end on Wednesday June 30, 2021.

2. Definition of Final Settlement Price

For a contract for a given delivery month, the Final Settlement Price shall be 100 minus compounded daily F-TIIE rate during the contract Reference Period ("R"), as follows:

$$\text{Final Settlement Price} = 100 - R$$

R	$([\prod_i^D \{1 + (1/360) * (r_i / 100)\}] - 1) \times (360/D) \times 100$
\sum_i	Running variable indexing calendar days during the monthly reference period
\prod_i	Capital pi (\prod) indicates the terms of the series should be compounded. It is the product of values indexed by the running variable, $i = 1, 2, \dots, n$.
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r_i	F-TIIE value for i th day
m_{d_i}	Number of calendar days to which r_i applies
$\sum_i D$	$\sum_i d_i$ (ie, number of calendar days in monthly reference period)

ational Conventions

The final settlement price for an expiring contract shall be calculated and published by the Exchange on the day on which the Bank of Mexico publishes the F-TIIE value for the last day of such contract's Reference Period at 5:00 p.m. Mexico City time (Rule 47503.A.1.).

The F-TIIE value for the last day of such expiring contract's Reference Month shall be as first published by the Bank of Mexico.

The value of R determined pursuant to Rule 47503.A.2. shall be rounded to the nearest 1/10,000th of one percent per annum, ie, the nearest 1/100th of one interest rate basis point per annum, or 0.0001 Index points. A tie value, ie, any such value ending in ending in 0.00005, shall be rounded up.

Example: A value of 4.14155 percent per annum would be rounded up to 4.1416 percent per annum, and then subtracted from 100.000 to determine a contract final settlement price of 95.8584 Index points.

47503.B. Final Settlement

Clearing members holding open positions in a contract at the time of termination of trading in such 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.

47504.-35. [RESERVED]**DISCLAIMER**

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(End Chapter 475)