

Chapter 481

Euro Short-Term Rate (€STR) – Three-Month Single Contract Basis Spread Futures

48100. SCOPE OF CHAPTER

This chapter is limited in application to Euro Short-Term Rate (€STR) – Three-Month Single Contract Basis Spread Futures (“Spread Futures,” “futures” or “contract”). In addition to this chapter, the futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate London time.

48101. CONTRACT SPECIFICATIONS

Each contract is valued at €2,500 times the contract-grade IMM Index (Rule 48102.C.).

48102. TRADING SPECIFICATIONS

48102.A. Trading Schedule

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

48102.B. Trading Unit

For a contract for a given delivery month, prices shall be quoted as the value of the spread between the expected 3-month Euribor benchmark rate and the expected compounded overnight €STR benchmark rate over the same interest period, expressed as an interest rate per annum such that each basis point per annum of interest shall be worth €25 per futures contract.

48102.C. Price Increments

Daily Contract prices shall be quoted as the value of the expected spread as specified in Rule 48102.B.

Example: If the value of the spread between the expected annualized rate of the 3-Month Euribor and the expected annualized rate of the compounded overnight €STR benchmark rate over the same interest period is 0.4500, the daily price shall be quoted as 0.4500.

The minimum price fluctuation shall be 0.0025, equal to €6.25 per contract.

48102.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.

48102.E. [Reserved]

48102.F. 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.

48102.G. Termination of Trading

Trading in an expiring contract shall terminate upon the dissemination of the 3-month Euribor at 11:00 a.m. Central European Time two TARGET2 business days immediately preceding the third Wednesday of the expiring contract month

48102.H. [Reserved]

48103. SETTLEMENT PROCEDURES

Delivery shall be exercised into a financial futures contract.

48103.A. Final Settlement Price

Final settlement price, occurring two TARGET2 business days prior to the third Wednesday of the expiring contract month (IMM Wednesday), shall be equal to the daily settlement price on three TARGET2 business days prior to IMM Wednesday.

Assignment price into €STR contract (ESR) of same contract named month shall be at 100 minus the 3-Month Euribor, on the final settlement date, plus the final settlement price.

Example: If 3-Month Euribor on the Monday two days before IMM Wednesday is 0.7600 percent per annum and the spread settlement on the same day is 0.4500, assignment price will be at the IMM Index value of 99.6900 ($100 - 0.7600 + 0.4500$).

48103.B. Final Settlement

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

48104. [RESERVED]