



Random Length Lumber Futures Daily Settlement Procedure

Normal daily settlement procedure

Daily settlement of Random Length Lumber futures (LBS) is determined by CME Group staff according to the following methodology:

Tier 1: For each contract month, if a trade(s) occurs on CME Globex or in the pit during the settlement window, then the contract settles to the volume-weighted average price (VWAP) of the trade(s) between 13:04:30 and 13:05:00 Central Time (CT).

Tier 2: If no trades occur on Globex or in the pit between 13:04:30 and 13:05:00 CT, then the last trade (or prior settle in the absence of a last trade price) is used to determine whether to settle to the current bid or the current ask in either trading venue during this period.

If the current bid is higher than the last trade/prior settlement price, then the contract month settles to the bid. If the current ask is lower than the last trade/prior settle, then the contract month settles to the ask. The contract month settles to the last trade/prior settle if it is equal to or between the current bid and the current ask.

Tier 3: In the absence of any trade activity or bid/ask in a given contract month during the current trading day, the daily settlement price will be determined by applying the net change from the preceding contract month to the given contract month's prior daily settlement price.

If you have any questions, please call the CME Global Command Center at 800.438.8618, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations described in this advisory cannot be made or if staff, in its sole discretion, determines that anomalous activity yields results that are not representative of the fair value of the contract, the staff may determine an alternative settlement price.