

# Equity Index Sector futures overview

INFINITE POSSIBILITIES, MORE TRADEABLE THAN EVER

CME Group's Equity Index Sector futures offer investors the ability to not only manage exposure to 19 individual sectors around-the-clock via CME Globex but also trade the same underlying indices that the most popular sector ETFs track.

CME Group Sector futures include E-mini S&P Select Sector, E-mini S&P Select Industry, Dow Jones Real Estate, E-mini Nasdaq Biotech, and PHLX Semiconductor Sector Index futures. Select Sector definitions are based upon the Global Industry Classification Standard (GICS) Level 1 definitions.

## Sector Exposure in the Futures Format

### CAPITAL EFFICIENCY<sup>1</sup>

- Up to 19x leverage
- Up to 75% margin offset with S&P 500 futures
- Additional operational efficiencies from working with a single clearing house

### 60/40 U.S. TAX TREATMENT

Sector futures are Section 1256 contracts, treated in the same manner as E-mini S&P 500 futures contracts with a blended capital gains tax treatment of 60% long-term and 40% short-term regardless of the futures holding period.

### FAIR VALUE

Like other CME Group Equity Index futures, Sector futures give participants an optimal strategy implementation tool as they are traded at levels representative of the expected carry cost, or the expected all-in financing and dividend expense.

### SHORT SECTOR EXPOSURE

Sector futures afford traders the opportunity to short sector exposure without the constraint of security-based or single-stock-based short sale regulations and locate requirements.

### FLEXIBLE EXECUTION FEATURES

- Block Trades
- Basis Trade at Index Close (BTIC)
- Exchange For Physical (EFP) eligible
- Derived blocks

### IRS RULE 871(M)

This rule will require clearing and custody agents to withhold taxes on equity instruments that are deemed to include divided equivalent payments and which are held by non-U.S. investors. CME Group believes that several of its 19 Sector futures will be exempt from the rule. Please consult your tax advisor and or FCM for more information.

### UCITS ELIGIBLE

Unlike most ETFs, Sector futures are UCITS-eligible.

## Versatility for Key Product Applications

### SECTOR ROTATION

Use to efficiently express outright sector-specific views within a portfolio, as well as easily execute relative value or under/over weighting strategies against the broader S&P 500 Index.

### SPREADING

Opportunities generally fall into these categories:

- **Sector Index vs. Components.** Pursue spreading opportunities within a sector by trading individual sector index constituent stocks versus the sector future to create a market and sector neutral position. These relative value trades often have a low correlation to other directional equity strategies, and can help diversify portfolio risk while generating alpha.
- **Sector vs. Sector.** Enables you to pursue myriad long vs. short expressions through delta-neutral or beta-adjusted spreads – with specific margin offsets available depending on the sector pairing (available online at [cmegroup.com/equities](http://cmegroup.com/equities)).
- **Sector vs. Broad-based.** Spread an individual sector versus a broad market index (such as the S&P 500) by using multi-legged futures.

### PORTFOLIO OVERLAYS

Hedge unintended sector risk in stock-specific portfolios and/or to fine-tune a broad market hedging instrument such as S&P 500 futures on a tactical basis.

### CASH EQUALIZATION

Employ to efficiently manage cash or gain cheap beta exposure for sector-specific strategies that experience periodic cash contributions and redemptions.

### LOW COST. LOW TRACKING ERROR

Funds managers may prefer to use Sector futures versus alternatives, as futures do not have embedded annual investment management fees and settle to an actionable price of the index via the Special Opening Quotation.

## Growing Liquidity and Customer Demand

### DEDICATED LIQUIDITY PROVIDER

The program features multiple market makers continuously posting two-sided markets on CME Globex during regular U.S. trading hours.

### BLOCK-ELIGIBLE

50 contract minimum

### BASIS TRADE AT INDEX CLOSE (BTIC)

BTIC enables market participants to execute a transaction as a basis trade relative to the official close for the underlying S&P Select Sector Index.

BTIC blocks must be reported using a product's BTIC ticker via CME Direct or CME ClearPort.

### EXCHANGE FOR PHYSICAL (EFP) ELIGIBLE

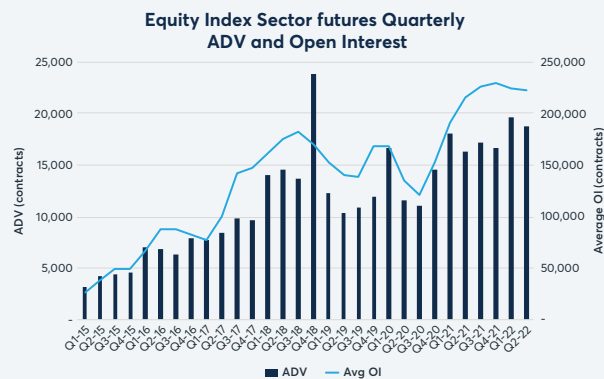
EFPs allow for the exchange of a position in the underlying physical instrument (i.e., basket of stocks or ETF) for a corresponding futures position. This enables increased access to liquidity, added risk mitigation, convenience of private negotiation and reduced or eliminated basis exposure.

### DERIVED BLOCK TRADES

A derived block is a block trade in which the price and quantity of the trade depends on hedging transactions in an eligible related market. Learn more at [cmegroup.com/eqderivedblocks](http://cmegroup.com/eqderivedblocks).

## Equity Index Sector futures

E-mini S&P Select Sector, Dow Jones Real Estate, and E-mini Nasdaq Biotech futures volume continues to grow, with YTD ADV reaching 15.5K contracts.



**CONTRACT SPECIFICATIONS: E-MINI S&P SELECT SECTOR FUTURES**

CONTRACT	E-MINI COMMUNICATION SERVICES, FINANCIAL & REAL ESTATE SELECT SECTORS	ALL EIGHT OTHER E-MINI SELECT SECTORS
<b>CONTRACT UNIT</b>	\$250 * S&P Select Sector Index	\$100 * S&P Select Sector Index
<b>TRADING HOURS</b>	<p><b>CME Globex:</b>            Sunday 6:00 p.m. - Friday - 5:00 p.m. ET (5:00 p.m. - 4:00 p.m. CT) with a daily maintenance period from 5:00 p.m. - 6:00 p.m. ET (4:00 p.m. - 5:00 p.m. CT)            BTIC: Sunday - Friday 6:00 p.m. - 4:00 p.m. ET</p> <p><b>CME ClearPort:</b>            Sunday 6:00 p.m. - Friday 6:45 p.m. ET (Sun 5:00 - Fri 5:45 p.m. CT) with no reporting Monday - Thursday 6:45 p.m. - 7:00 p.m. ET (5:45 p.m. - 6:00 p.m. CT)</p>	
<b>MINIMUM PRICE FLUCTUATION</b>	<p><b>CME Globex:</b>            Outright: 0.05 index points = \$12.50            Calendar Spread: 0.05 index points = \$12.50            BTIC: 0.05 index points = \$12.50</p> <p><b>CME ClearPort:</b>            Outright: 0.01 index points = \$2.50            Calendar Spread: 0.01 index points = \$2.50            BTIC: 0.05 index points = \$12.50</p>	<p><b>CME Globex:</b>            Outright: 0.10 index points = \$10.00            Calendar Spread: 0.10 index points = \$10.00            BTIC: 0.10 index points = \$10.00</p> <p><b>CME ClearPort:</b>            Outright: 0.01 index points = \$1.00            Calendar Spread: 0.01 index points = \$1.00            BTIC: 0.10 index points = \$10.00</p>
<b>PRODUCT CODE</b>	View product codes table on page 6	
<b>LISTED CONTRACTS</b>	Quarterly contracts (Mar, Jun, Sep, Dec) listed for 5 consecutive quarters	
<b>SETTLEMENT METHOD</b>	Financially Settled	
<b>TERMINATION OF TRADING</b>	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.	
<b>SETTLEMENT PROCEDURES</b>	<a href="#">Settlement Procedures</a>	
<b>POSITION LIMITS</b>	<a href="#">CME Position Limits</a>	
<b>BLOCK MINIMUM</b>	<a href="#">Block Minimum Thresholds</a>	
<b>PRICE LIMIT OR CIRCUIT</b>	<a href="#">Price Limits</a>	
<b>VENDOR CODES</b>	<a href="#">Quote Vendor Symbols Listing</a>	

**CONTRACT SPECIFICATIONS: E-MINI S&P SELECT INDUSTRY FUTURES**

<b>CONTRACT</b>	<b>E-MINI S&amp;P REGIONAL BANKS SELECT INDUSTRY INDEX</b>	<b>S&amp;P INSURANCE SELECT INDUSTRY INDEX</b>	<b>S&amp;P BIOTECHNOLOGY SELECT INDUSTRY INDEX</b>	<b>S&amp;P OIL &amp; GAS EXPLORATION &amp; PRODUCTION SELECT INDUSTRY INDEX</b>	<b>S&amp;P RETAIL SELECT INDUSTRY INDEX</b>
<b>CONTRACT UNIT</b>	\$50 * S&P Regional Banks Select Industry Index	\$25 * S&P Insurance Select Industry Index	\$10 * S&P Biotechnology Select Industry Index	\$25 * S&P Oil & Gas Exploration & Production Select Industry Index	\$10 * S&P Retail Select Industry Index
<b>TRADING HOURS</b>	<b>CME Globex:</b> Sunday 6:00 p.m. – Friday 5:00 p.m. ET with a daily maintenance period from 5:00 p.m. - 6:00 p.m. ET BTIC: Sunday - Friday 6:00 p.m. - 4:00 p.m. ET  <b>CME ClearPort:</b> Sunday 6:00 p.m. - Friday 6:45 p.m. ET with no reporting Monday - Thursday 6:45 p.m. – 7:00 p.m. ET				
<b>MINIMUM PRICE FLUCTUATION</b>	<b>CME Globex:</b> Outright: 0.25 index points = \$12.50 Calendar Spread: 0.25 index points = \$12.50 BTIC: 0.25 index points = \$12.50  <b>CME ClearPort:</b> Outright: 0.01 index points = \$0.50 Calendar Spread: 0.01 index points = \$0.50 BTIC: 0.25 index points = \$12.50	<b>CME Globex:</b> Outright: 0.50 index points = \$12.50 Calendar Spread: 0.50 index points = \$12.50 BTIC: 0.50 index points = \$12.50  <b>CME ClearPort:</b> Outright: 0.01 index points = \$0.25 Calendar Spread: 0.01 index points = \$0.25 BTIC: 0.50 index points = \$12.50	<b>CME Globex:</b> Outright: 1.00 index points = \$10.00 Calendar Spread: 1.00 index points = \$10.00 BTIC: 1.00 index points = \$10.00  <b>CME ClearPort:</b> Outright: 0.01 index points = \$0.10 Calendar Spread: 0.01 index points = \$0.10 BTIC: 0.25 index points = \$12.50	<b>CME Globex:</b> Outright: 0.50 index points = \$12.50 Calendar Spread: 0.50 index points = \$12.50 BTIC: 0.50 index points = \$12.50  <b>CME ClearPort:</b> Outright: 0.01 index points = \$0.25 Calendar Spread: 0.01 index points = \$0.25 BTIC: 0.50 index points = \$12.50	<b>CME Globex:</b> Outright: 1.00 index points = \$10.00 Calendar Spread: 1.00 index points = \$10.00 BTIC: 1.00 index points = \$10.00  <b>CME ClearPort:</b> Outright: 0.01 index points = \$0.10 Calendar Spread: 0.01 index points = \$0.10 BTIC: 1.00 index points = \$10.00
<b>PRODUCT CODE</b>	<b>CME Globex:</b> SXB <b>CME ClearPort:</b> SXB <b>CME Clearing:</b> SXB <b>BTIC:</b> RKT	<b>CME Globex:</b> SXI <b>CME ClearPort:</b> SXI <b>CME Clearing:</b> SXI <b>BTIC:</b> IST	<b>CME Globex:</b> SXT <b>CME ClearPort:</b> SXT <b>CME Clearing:</b> SXT <b>BTIC:</b> BOT	<b>CME Globex:</b> SXO <b>CME ClearPort:</b> SXO <b>CME Clearing:</b> SXO <b>BTIC:</b> SWT	<b>CME Globex:</b> SXR <b>CME ClearPort:</b> SXR <b>CME Clearing:</b> SXR <b>BTIC:</b> RET
<b>LISTED CONTRACTS</b>	Five months in the March quarterly cycle (i.e., March, June, September, December)				
<b>SETTLEMENT METHOD</b>	Financially Settled				
<b>TERMINATION OF TRADING</b>	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.				
<b>SETTLEMENT PROCEDURES</b>	<a href="#">Settlement Procedures</a>				
<b>POSITION LIMITS</b>	<a href="#">CME Position Limits</a>				
<b>BLOCK MINIMUM</b>	<a href="#">Block Minimum Thresholds</a>				
<b>PRICE LIMIT OR CIRCUIT</b>	<a href="#">Price Limits</a>				
<b>VENDOR CODES</b>	<a href="#">Quote Vendor Symbols Listing</a>				

**CONTRACT SPECIFICATIONS: OTHER SECTOR FUTURES**

<b>CONTRACT</b>	<b>E-MINI NASDAQ BIOTECHNOLOGY INDEX</b>	<b>DOW JONES U.S. REAL ESTATE INDEX</b>	<b>E-MINI PHLX SEMICONDUCTOR SECTOR INDEX</b>
<b>CONTRACT UNIT</b>	\$25 * E-mini Nasdaq Biotechnology Index	\$100 * Dow Jones U.S. Real Estate Index	\$25 * PHLX Semiconductor Sector Index
<b>TRADING HOURS</b>	<p><b>CME Globex:</b> Sunday 6:00 p.m. – Friday - 5:00 p.m. ET (5:00 p.m. – 4:00 p.m. CT) with a daily maintenance period from 5:00 p.m. – 6:00 p.m. ET (4:00 p.m. – 5:00 p.m. CT) BTIC: Sunday - Friday 6:00 p.m. - 4:00 p.m. ET</p> <p><b>CME ClearPort:</b> Sunday 6:00 p.m. - Friday 6:45 p.m. ET (Sun 5:00 - Fri 5:45 p.m. CT) with no reporting Monday - Thursday 6:45 p.m. – 7:00 p.m. ET (5:45 p.m. – 6:00 p.m. CT)</p>	<p><b>CME Globex:</b> Sunday 6:00 p.m. – Friday - 5:00 p.m. ET (5:00 p.m. – 4:00 p.m. CT) with a daily maintenance period from 5:00 p.m. – 6:00 p.m. ET (4:00 p.m. – 5:00 p.m. CT) BTIC: Sunday - Friday 6:00 p.m. – 4:00 p.m. ET</p> <p><b>CME ClearPort:</b> Sunday 6:00 p.m. - Friday 6:45 p.m. ET (Sun 5:00 - Fri 5:45 p.m. CT) with no reporting Monday - Thursday 6:45 p.m. – 7:00 p.m. ET (5:45 p.m. – 6:00 p.m. CT)</p>	<p><b>CME Globex:</b> Sunday 6:00 p.m. – Friday 5:00 p.m. ET with a daily maintenance period from 5:00 p.m. – 6:00 p.m. ET BTIC: Sunday - Friday 6:00 p.m. - 4:00 p.m. ET</p> <p><b>CME ClearPort:</b> Sunday 6:00 p.m. - Friday 6:45 p.m. ET with no reporting Monday - Thursday 6:45 p.m. – 7:00 p.m. ET</p>
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<b>PRODUCT CODE</b>	<p><b>CME Globex:</b> BIO <b>CME ClearPort:</b> BQ <b>CME Clearing:</b> BQ <b>BTIC:</b> BIT</p>	<p><b>CME Globex:</b> RX <b>CME ClearPort:</b> JR <b>CME Clearing:</b> JR <b>BTIC:</b> REX</p>	<p><b>CME Globex:</b> SOX <b>CME ClearPort:</b> SOX <b>CME Clearing:</b> SOX <b>BTIC:</b> SOT</p>
<b>LISTED CONTRACTS</b>	Quarterly contracts (Mar, Jun, Sep, Dec) listed for 5 consecutive quarters	Quarterly contracts (Mar, Jun, Sep, Dec) listed for 4 consecutive quarters	Five months in the March quarterly cycle (i.e., March, June, September, December)
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<b>TERMINATION OF TRADING</b>	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.		
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<b>VENDOR CODES</b>	<a href="#">Quote Vendor Symbols Listing</a>		

## PRODUCT CODES

	SECTOR FUTURES	CME GLOBEX	CME CLEARPORT	CME CLEARING	CME BTIC	UNDERLYING INDEX TICKER	BLOOMBERG OUTRIGHT
E-MINI S&P SELECT SECTOR FUTURES	COMMUNICATION SERVICES	XAZ	XZT	XZT	XZT	IXCR	XASA
	CONSUMER DISCRETIONARY	XAY	XYT	XYT	XYT	IXY	IXYA
	CONSUMER STAPLES	XAP	XPT	XPT	XPT	IXR	IXRA
	ENERGY	XAE	XET	XET	XET	IXE	IXPA
	FINANCIAL	XAF	XFT	XFT	XFT	IXM	IXAA
	HEALTH CARE	XAV	XVT	XVT	XVT	IXV	IXCA
	INDUSTRIAL	XAI	XIT	XIT	XIT	IXI	IXIA
	MATERIALS	XAB	XBT	XBT	XBT	IXB	IXDA
	REAL ESTATE	XAR	XRT	XRT	XRT	IXRE	XARA
	TECHNOLOGY	XAK	XKT	XKT	XKT	IXT	IXTA
	UTILITIES	XAU	XUT	XUT	XUT	IXU	IXSA
E-MINI S&P SELECT SECTOR INDUSTRY FUTURES	REGIONAL BANKS	SXB	SXB	SXB	RKT	SPSIRBK	SVWA
	INSURANCE	SXI	SXI	SXI	IST	SPSIINS	SVYA
	BIOTECHNOLOGY	SXT	SXT	SXT	BOT	SPSIBI	SVEA
	OIL & GAS EXPLORATION AND PRODUCTION	SXO	SXO	SXO	SWT	SPSIOP	SVOA
	RETAIL	SXR	SXR	SXR	RET	SPSIRE	SWLA
OTHER SECTOR FUTURES	PHLX SEMICONDUCTOR	SOX	SOX	SOX	SOT	SOX	SWOA
	NASDAQ BIOTECH	BIO	BQ	BQ	BIT	NBI	DBA
	DOW JONES US REAL ESTATE	RX	JR	JR	REX	DJUSRE	DJEA

For more information, visit [cmegroup.com/sectors](https://cmegroup.com/sectors)

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Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade.

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