

Equity Index Sector futures overview

INFINITE POSSIBILITIES, MORE TRADEABLE THAN EVER

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.

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.

Now live: Six new E-mini S&P 500 Select Sector options on futures plus Dow Jones Real Estate options on futures will be added to complement our existing suite.

Sector Exposure in the futures format

CAPITAL EFFICIENCY*

- 20:1 exposure to capital
- 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 our other Equity Index futures, 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 dividend equivalent payments and which are held by non-U.S. investors. We believe that several of our Sector futures will be exempt from the rule. Please consult your tax advisor and or FCM for more information.

*September 30, 2024

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).
- **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

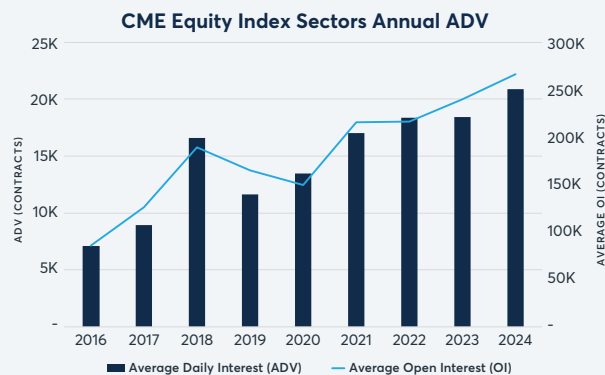
EFPs allow for the exchange of a position in the underlying physical instrument (i.e., basket of stocks or ETF) for a corresponding futures position. This enables increased access to liquidity, added risk mitigation, convenience of private negotiation and reduced or eliminated basis exposure.

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.

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 20K 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
CONTRACT UNIT	\$250 * S&P Select Sector Index	\$100 * S&P Select Sector Index
TRADING HOURS	<p>CME Globex: 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>CME ClearPort: 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>	
MINIMUM PRICE FLUCTUATION	<p>CME Globex: Outright: 0.05 index points = \$12.50 Calendar Spread: 0.05 index points = \$12.50 BTIC: 0.05 index points = \$12.50</p> <p>CME ClearPort: Outright: 0.01 index points = \$2.50 Calendar Spread: 0.01 index points = \$2.50 BTIC: 0.05 index points = \$12.50</p>	<p>CME Globex: Outright: 0.10 index points = \$10.00 Calendar Spread: 0.10 index points = \$10.00 BTIC: 0.10 index points = \$10.00</p> <p>CME ClearPort: Outright: 0.01 index points = \$1.00 Calendar Spread: 0.01 index points = \$1.00 BTIC: 0.10 index points = \$10.00</p>
PRODUCT CODE	View product codes table on page 6	
LISTED CONTRACTS	Quarterly contracts (Mar, Jun, Sep, Dec) listed for 5 consecutive quarters	
SETTLEMENT METHOD	Financially Settled	
TERMINATION OF TRADING	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.	
SETTLEMENT PROCEDURES	Settlement Procedures	
POSITION LIMITS	CME Position Limits	
BLOCK MINIMUM	Block Minimum Thresholds	
PRICE LIMIT OR CIRCUIT	Price Limits	
VENDOR CODES	Quote Vendor Symbols Listing	

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

CONTRACT	E-MINI S&P REGIONAL BANKS SELECT INDUSTRY INDEX	S&P INSURANCE SELECT INDUSTRY INDEX	S&P BIOTECHNOLOGY SELECT INDUSTRY INDEX	S&P OIL & GAS EXPLORATION & PRODUCTION SELECT INDUSTRY INDEX	S&P RETAIL SELECT INDUSTRY INDEX
CONTRACT UNIT	\$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
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PRODUCT CODE	CME Globex: SXB CME ClearPort: SXB CME Clearing: SXB BTIC: RKT	CME Globex: SXI CME ClearPort: SXI CME Clearing: SXI BTIC: IST	CME Globex: SXT CME ClearPort: SXT CME Clearing: SXT BTIC: BOT	CME Globex: SXO CME ClearPort: SXO CME Clearing: SXO BTIC: SWT	CME Globex: SXR CME ClearPort: SXR CME Clearing: SXR BTIC: RET
LISTED CONTRACTS	Five months in the March quarterly cycle (i.e., March, June, September, December)				
SETTLEMENT METHOD	Financially Settled				
TERMINATION OF TRADING	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.				
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PRICE LIMIT OR CIRCUIT	Price Limits				
VENDOR CODES	Quote Vendor Symbols Listing				

CONTRACT SPECIFICATIONS: OTHER SECTOR FUTURES

CONTRACT	E-MINI NASDAQ BIOTECHNOLOGY INDEX	DOW JONES U.S. REAL ESTATE INDEX	E-MINI PHLX SEMICONDUCTOR SECTOR INDEX
CONTRACT UNIT	\$25 * E-mini Nasdaq Biotechnology Index	\$100 * Dow Jones U.S. Real Estate Index	\$25 * PHLX Semiconductor Sector Index
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PRODUCT CODE	<p>CME Globex: BIO CME ClearPort: BQ CME Clearing: BQ BTIC: BIT</p>	<p>CME Globex: RX CME ClearPort: JR CME Clearing: JR BTIC: REX</p>	<p>CME Globex: SOX CME ClearPort: SOX CME Clearing: SOX BTIC: SOT</p>
LISTED CONTRACTS	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)
SETTLEMENT METHOD	Financially Settled		
TERMINATION OF TRADING	Trading terminates at 9:30 a.m. ET on the third Friday of the quarterly contract.		
SETTLEMENT PROCEDURES	Settlement Procedures		
POSITION LIMITS	CME Position Limits		
BLOCK MINIMUM	Block Minimum Thresholds		
PRICE LIMIT OR CIRCUIT	Price Limits		
VENDOR CODES	Quote Vendor Symbols Listing		

PRODUCT CODES

	SECTOR FUTURES	CME GLOBEX	CME CLEARPORT	CME CLEARING	CME BTIC	UNDERLYING INDEX TICKER	BLOOMBERG OUTRIGHT	OPTIONS
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



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cmegroup.com

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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