Chapter 406
CME European HDD Index Futures

40600.   SCOPE OF CHAPTER

This chapter is limited in application to CME European HDD Index futures. In addition to this chapter, CME European HDD Index 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 herein shall refer to and indicate Chicago time.

40601.   CONTRACT SPECIFICATIONS

1. Heating Degree Days (HDD)

    The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location. Observations are recorded by the relevant National Meteorological Service and processed by Speedwell Settlement Services Ltd.

    •   Amsterdam-Schiphol, Netherlands (WMO 06240)
          Tmax: observed 0000 UTC_{D0} to 0000 UTC_{D+1} (D = calendar day)
          Tmin: observed 0000 UTC_{D0} to 0000 UTC_{D+1} (D = calendar day)
          National Meteorological Service: Royal Netherlands Meteorological Institute (KNMI)

    •   London-Heathrow, United Kingdom (WMO 03772)
          Tmax: observed 0850 UTC_{D0} to 0850 UTC_{D+1} (D = calendar day)
          Tmin: observed 0850 UTC_{D-1} to 0850 UTC_{D0} (D = calendar day)
          National Meteorological Service: UK Met Office

    •   ESSEN, Germany (WMO 10410)
          Tmax: observed 0000 UTC_{D0} to 0000 UTC_{D+1}

          Tmin: observed 0000 UTC_{D0} to 0000 UTC_{D+1}

          National Meteorological Service: Deutscher Wetterdienst (DWD)

    •   PARIS ORLY, France (WMO 07149)
          Tmax: observed 0600 UTC_{D0} to 0600 UTC_{D+1}

          Tmin: observed 1800 UTC_{D-1} to 1800 UTC_{D0}

          National Meteorological Service: Meteo France

For each day, HDD is the greater of (1) zero, (2) 18 degrees Celsius ("C") minus the daily average temperature.

2.   The CME European HDD Indexes

Each particular CME European HDD Index is the accumulation of like Degree Days over a calendar month. The accumulation period of each CME European HDD Index futures contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

40602.   TRADING SPECIFICATIONS

40602.A.   Trading Schedule

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

40602.B.   Trading Unit

The size of the unit of trading shall be 20 British pounds (pounds sterling) for London-Heathrow, or 20 Euros (€) for all other locations, times the respective CME European HDD Index.

40602.C.   Price Increments

The minimum price fluctuation of the respective CME European HDD Index futures shall be 1 index

point and have a value of 20 British pounds (pounds sterling) for London-Heathrow, or 20 Euros (€) for all other locations.

40602.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.

40602.E.   [Reserved]

40602.F.   [Reserved]

40602.G.   Termination of Trading

Futures trading shall terminate at 9:00 a.m. on the fifth Exchange Business Day after the futures contract month.

40602.H.   [Reserved]

40602.I.   [Reserved]

40603.   SETTLEMENT PROCEDURES

40603.A.   Final Settlement Price

 All futures contracts remaining open at the termination of trading shall be settled using the respective CME European HDD Index Speedwell Settlement Services Ltd. for that city for that contract month, using the methodology in effect on that date, on the fifth Exchange Business Day after the futures contract month. For example, on January 8, 2003, the December 2002 futures contract on the CME Amsterdam-Schiphol European HDD Index would have been settled at 468.60 Heating Degree Days.

40603.B.   Final Settlement

Clearing members holding open positions in a CME European HDD Index futures contract at the 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.

40604.   [RESERVED]

40605.-06. [RESERVED]

(End Chapter 406)

INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 406

LIMITATION OF LIABILITY AND DISCLAIMER

Speedwell Settlement Services Ltd. ("SSS") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data.   SSS makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. SSS makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall SSS have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.