Mass Quote Protections (MQP) User Manual

13 October 2024

Neither futures trading nor swaps trading are suitable for all investors, and each involves the risk of loss. Swaps trading should only be undertaken by investors who are Eligible Contract Participants (ECPs) within the meaning of Section 1a(18) of the Commodity Exchange Act. Futures and swaps each are leveraged investments 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 either a futures or swaps 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 traders cannot expect to profit on every trade. All examples discussed are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience.

CME Group, the Globe Logo and CME are trademarks of Chicago Mercantile Exchange Inc. CBOT is a trademark of the Board of Trade of the City of Chicago, Inc. NYMEX is a trademark of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. All other trademarks are the property of their respective owners.

The information within this manual has been compiled by CME Group for general purposes only. CME Group assumes no responsibility for any errors or omissions. Additionally, all examples in this manual are hypothetical situations, used for explanation purposes only, and should not be considered investment advice or the results of actual market experience. All matters pertaining to rules and specifications herein are made subject to and are superseded by official CME, CBOT and NYMEX rules. Current rules should be consulted in all cases concerning contract specifications.

Table of Contents

Getting Started

Mass Quote Protection (MQP) is a post-trade evaluation function for clearing firm administrators to manage over-exposure risk by setting intra-day mass quote thresholds at *Product Group*, *Product Line*A set of related Group Codes as configured by the CME Global Command Center (GCC)., *Aggregate Product Line* levels that can automatically cancel resting quotes and force a Mass Quote submission time-out within a *Group Code*A set of related option products, specified by the GCC or related Group Codes.

MQP is available for CME Globex options on futures, subject to business rules for option asset classes, and applies to quotes (not order trades).

When a Mass Quote is traded, submitted quotes are evaluated during an exchange defined time interval (one-second) against customer configured MQP thresholds.

- If *no thresholds are exceeded* during the time interval, MQP tallies are reset after the time interval.
- If a traded quote triggers a MQP threshold value, the MQP functionality will execute:
  - CME Globex cancels the customer's resting quotes.
  - CME Globex rejects subsequent Mass Quote messages.
  - The customer must send a Mass Quote message with a reset (tag 9773-MMProtectionReset=Y) instruction.

Resting Quotes

A resting quote and / or an aggressing (arriving) quote that trades may cause the customer's MQP(s) to tally.

If a *resting* quote causes the customer's MQP tally to trigger their MQP threshold value, then the customer's resting quotes will be canceled.

If an *aggressing* quote causes the customer's MQP tally to trigger their MQP threshold value, then the customer's resting quotes including the remaining unprocessed quotes in the inbound Mass Quote message will be canceled.

Video

For an overview of mass quote protections, watch this video.

Available functions:

- For a given Execution Firm / Trader ID / Sender Comp ID, view current MQP protected products.
- Download / Export the configuration to a .csv file.
- Modify / delete protections.

Enable MQP

Permission to view MQP and protected products is available to clearing / executing firms and coordinated through Global Account Management.

Clearing Firm Administrators at eligible clearing firms must also enable iLink Order Entry session(s) for MQP.

To request access, trading firm administrators and other users should contact their Clearing Member Firm Administrator.

CME Group Login

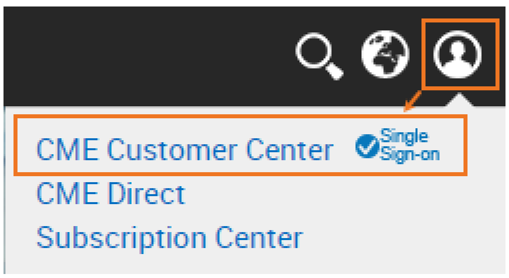
CME Group Login is a self-managed, centralized user profile service that authenticates access to Mass Quote Protections (MQP) and other applications and services.

- Create a new CME Group Login user ID and profile: Prior to accessing, all users must have an active login profile.
- Review the CME Group Login User Guide: Access guidance and instructions: register, retrieve forgotten user ID, reset password, update profile and manage other services.
- Update a CME Group Login User ID and profile: Login privileges are retained even if users change firms, email address, registration information, User ID or password. Some instances may require access and entitlements update.

Logging In

To login to Mass Quote Protections (MQP):

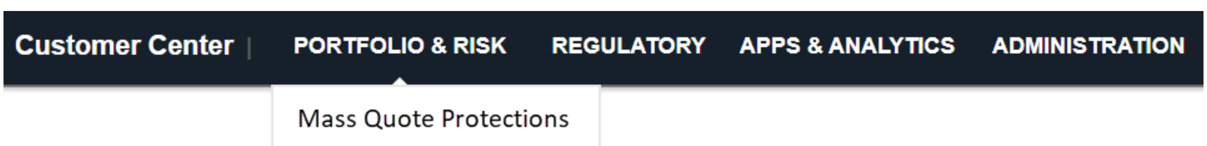
1. Navigate to cmegroup.com, select the **Login / Profile icon** ( ), then select **CME Customer Center** (single sign on).



2. On the page that appears, enter the **CME Group Login ID** and **Password**, then select **Login**.

> **Note**: To register for a CME Group Login ID, view CME Group Login Registration.

3. From the **Portfolio & Risk** tab, select **Mass Quote Protections**.



> **Note**: For issues logging in or accessing MQP, view CME Group Login or contact Enterprise Application & System Entitlements (EASE).

What's New

The list below illustrates the updates made to the Mass Quote Protections (MQP) Help system.

Date	Topic	Description
13 October 2024	Viewing Mass Quote Protections Managing Mass Quote Protections	Removed protection types: Fill (X), Execution (Y), Sides
1 June 2024	Viewing Mass Quote Protections Managing Mass Quote Protections	added new protection type Fill%(F)

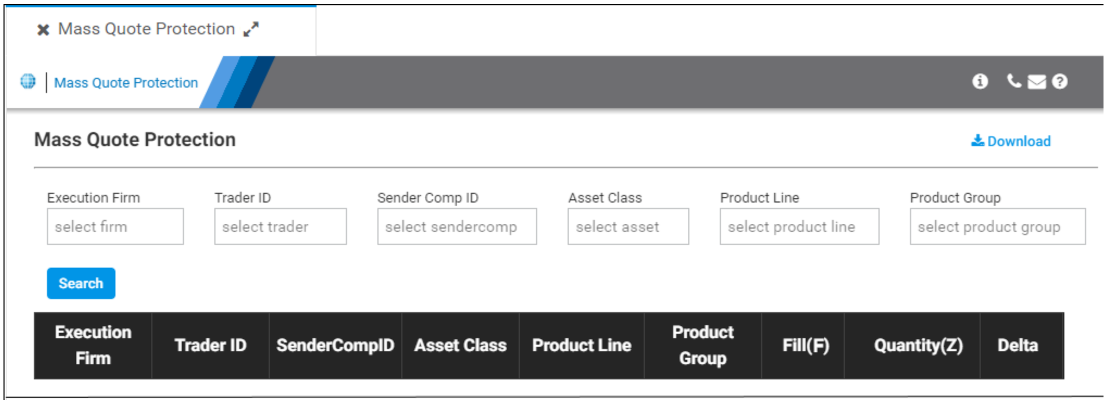
Date	Topic	Description
1 November 2022	Format	Website and PDF format changes only.
18 November 2018	Assigning Mass Quote Protections Deleting Mass Quote Protections	Updated product line protection example
6 September 2018	All	Initial release.

Viewing MQP Protections

To view and manage MQP configuration and settings, review the following instructions.

To view mass quote protections:

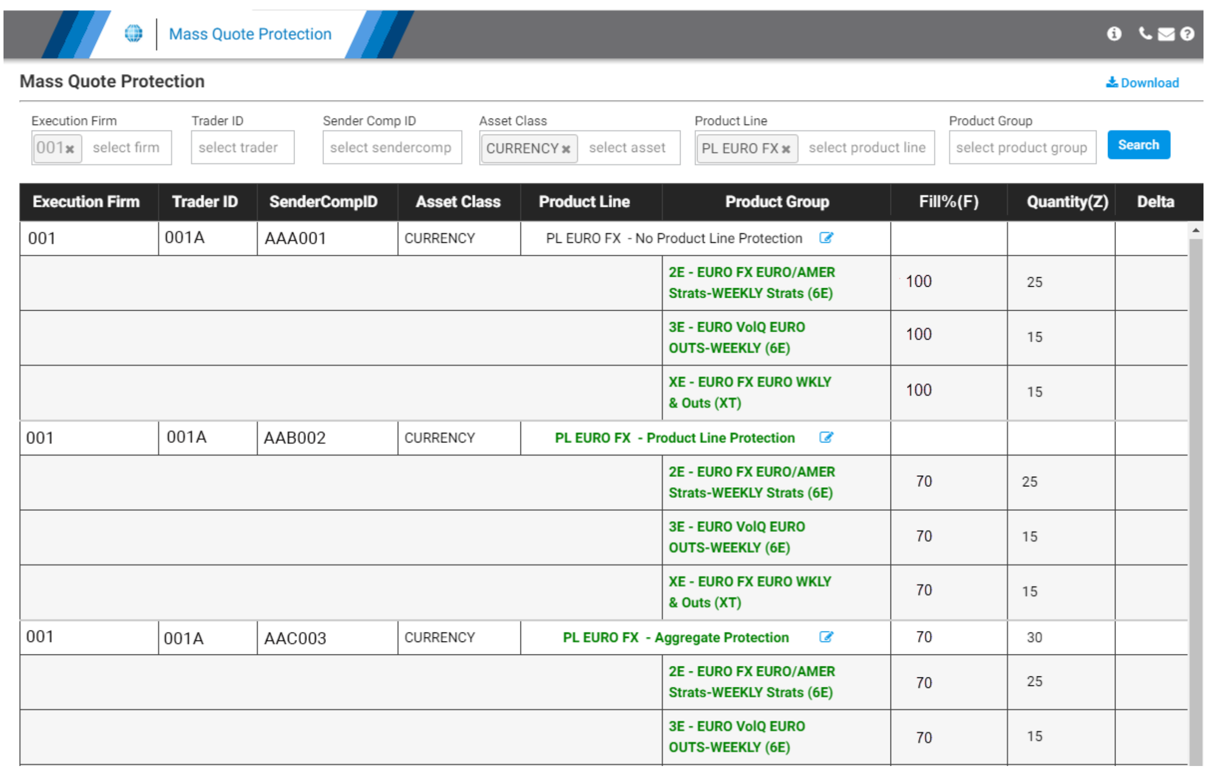
1. From the **Mass Quote Protection** page, enter market participant and / or product search criteria.



- **Market Participant fields**: Execution Firm, Trader ID, Sender Comp ID.
- **Product fields**: Asset Class, Product Line, Product Group.

> **Note**: Clicking **Search** without entered criteria searches all entitled mass quote details.

2. Click **Search**; matching results appear.



From the results, the following protection values are available:

- **Fill % (F)**: During a given MQP exchange set evaluation period (one-second), the cumulative sum of the execution quantity of a quote, relative to its original quote quantity (traded quantity of the original total quantity).

  Tallies each time a quote's bid or ask trades.

  The Original Booked Quantity of the quote is retained for calculating the fill percentage for all partial trades during the MQP duration.

  The following is treated as a new quote for calculations: (i) Modifications to quote quantity, (ii) percentage of trades as percentage the original quote are retained, (iii) modified quote.

  > **Note**: Percentage protection must be greater than or equal to 70 percent - Percentage = ∑(*Traded Quantity in this Match Event / Original Booked Quantity of the quote)*

- **Traded Quantity** (**Z**): Traded quantity-based MQP. Tallies the number of lots traded.
- **Delta** (**D**): Traded delta-based MQP set by customers in absolute terms.
  - Tallies the net delta (equivalent futures) from each trade within the exchange set evaluation time (one-second). The value is entered as a positive integer but is evaluated at the positive (Long Call, Short Put) and negative (Short Call, Long Put) integer equivalents (e.g. a delta threshold value set at '5' equates to +5 or -5). Positive deltas increment the counter and Negative Deltas decrement the counter.
  - Deltas are calculated every 15 seconds throughout the trading session.
  - Deltas are netted for option spread trades (e.g. an option spread trade with leg deltas of +0.30 and -0.40 nets to -0.10).
  - The D tally can exceed the threshold value by a resting quote's total delta minus (or plus) 1 delta.

If a customer's limits, for a given SenderCompID, are breached or a new quote exceeds a MQP threshold, resting quotes that match incoming quotes are canceled at the corresponding level (Product Group or Product Line) and subsequent quotes rejected until a customer submits a mass quote reset message (tag 9773-MMProtectionReset=Y).

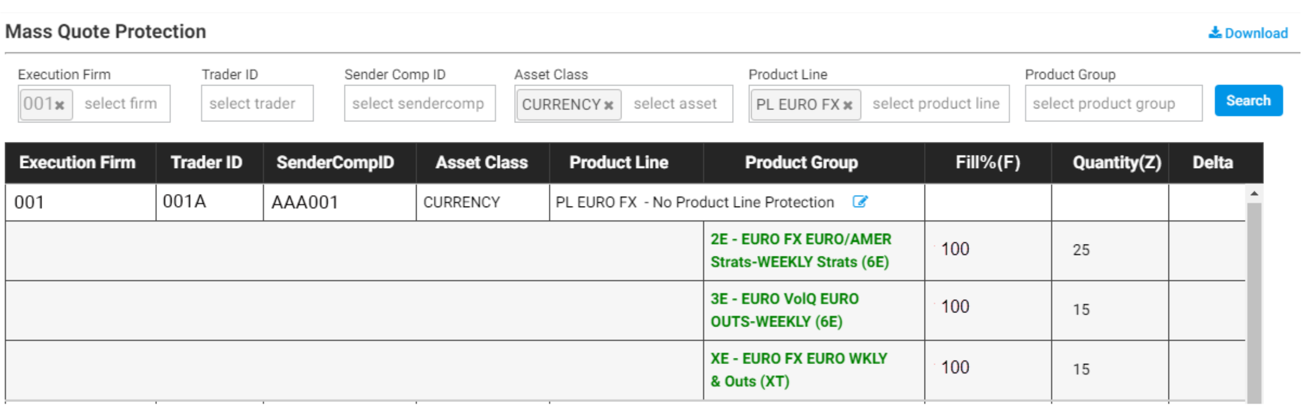
Enforcement

Using specified values, enforcement is available at the Product Group, Line and / or Aggregate levels; for each type and reference value.

Quotes that exceed the value of the respective MQP reference value (limit), within the exchange set time interval will be rejected; causing cancellation of resting and rejection of new mass quotes.

Available Product Line, Group Code or Aggregate protection are activated by the following configuration:

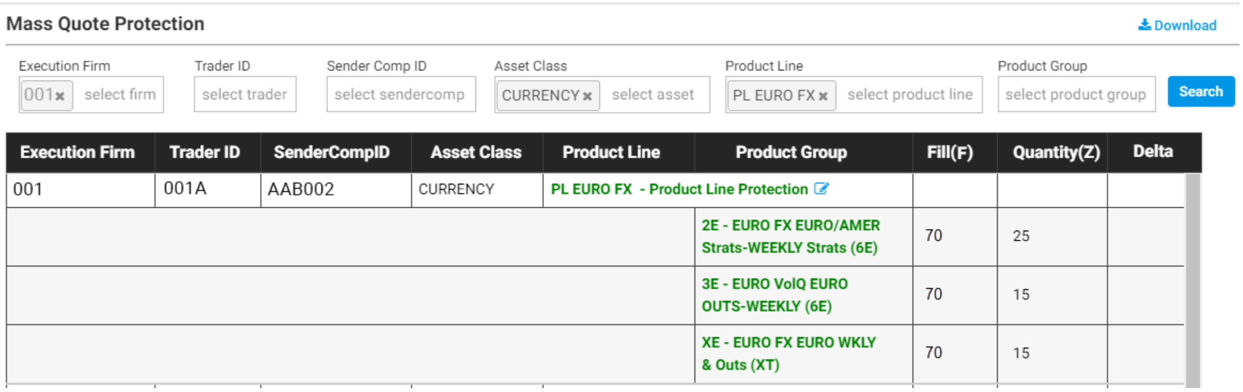
Product Group - (No Product Line Protection)



Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - No Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	

- **Product Line checkbox**: Not selected.
- **Product Line**: Not entered.
- **Values**: Entered at Product *Group* level

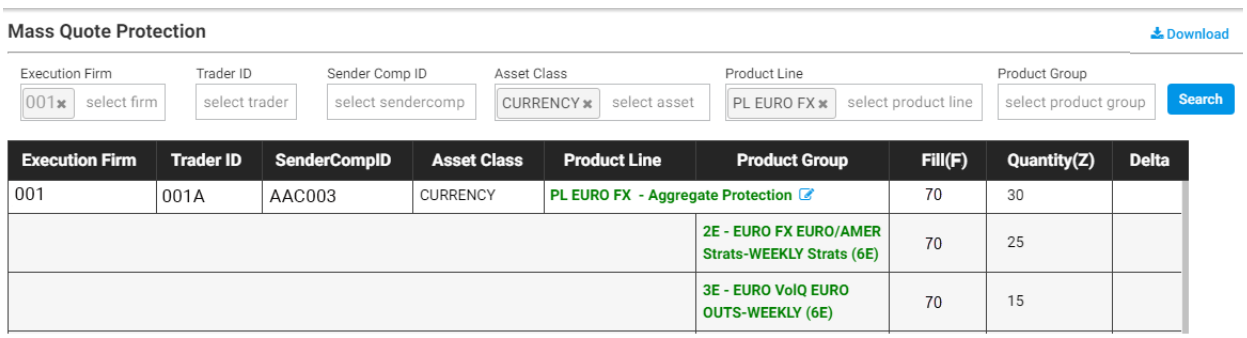
Product Line



Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill(F)	Quantity(Z)	Delta
001	001A	AAB002	CURRENCY	PL EURO FX - Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO FX VolQ EURO OUTS-WEEKLY (6E)	70	15	
					XE - EURO FX EURO WKLY & Outs (XT)	70	15	

- **Product Line checkbox**: Selected.
- **Product Line**: Not entered.
- **Product Group**: Value entered

Aggregate



Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill(F)	Quantity(Z)	Delta
001	001A	AAC003	CURRENCY	PL EURO FX - Aggregate Protection		70	30	
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO FX VolQ EURO OUTS-WEEKLY (6E)	70	15	

- **Product Line checkbox**: Selected.
- **Product Line**: Value entered.
- **Product Group**: Value entered.

Additional details

For additional details refer to the Client Systems Wiki - Mass Quote Protections:

- Mass Quote Overview Video
- **Time interval**: Exchange-defined time interval during which MQPs are counted and enforced.
- MQP Types: Reference values with examples.
- Enforcement Levels: Protection types with examples.
  - **Trigger**: Scenarios and examples that trigger MQP.
  - **Message Reset**: Describes manual reset of MQP tally(s) to zero and subsequent Mass Quote message processing.
  - **Product lines**: Product lines currently available for MQP.

Downloading Mass Quote Protection Settings

Use the MQP download feature to save search results as a .csv file. View the MQP configuration to evaluate mass quote protection limits assigned to Firms.

To download MQP configurations:

1. Perform a **search**: From the main menu, enter market **participant** and / or **product** criteria, then select **Search**.
2. From the Search Results page, select the download (Download) button.

Available data, for a *market participant* or *product line* / *group*, is based on the entered search criteria shown in this list and may not be inclusive of all MQP settings for the selected participant / product.

Managing MQP Protections and Values

Using Mass Quote Protections (MQP) authorized Clearing Firm Risk Administrators can enable additional risk settings for market participants and configure product line / group thresholds.

Upon selection and configuration MQP updates are effective for the next customer submitted mass quote.

Assignment of MQP settings requires the following user specified actions:

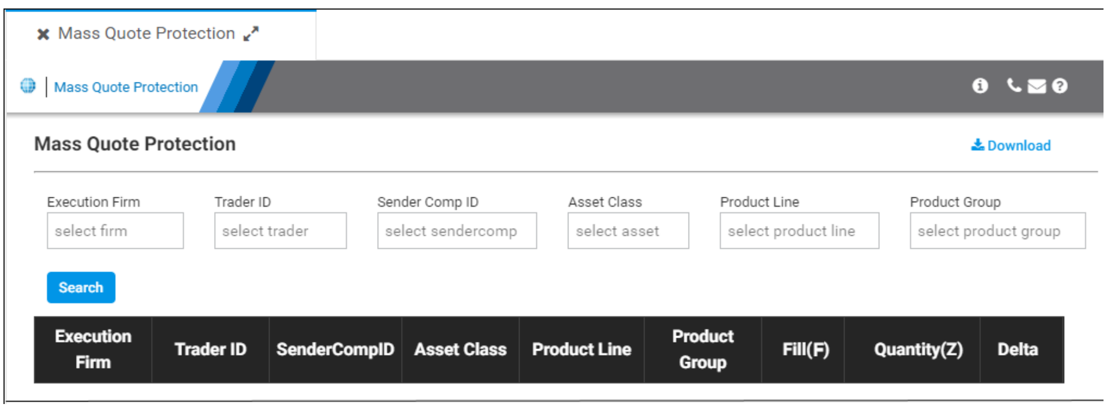
- Search Firm / Trader ID / Sender Comp ID.
- Specify Product / Group values, by Type.
- Confirm update

Assigning Mass Quote Protections

The following instructions describe the process to assign product line / group mass quote protections for a *market participant*.

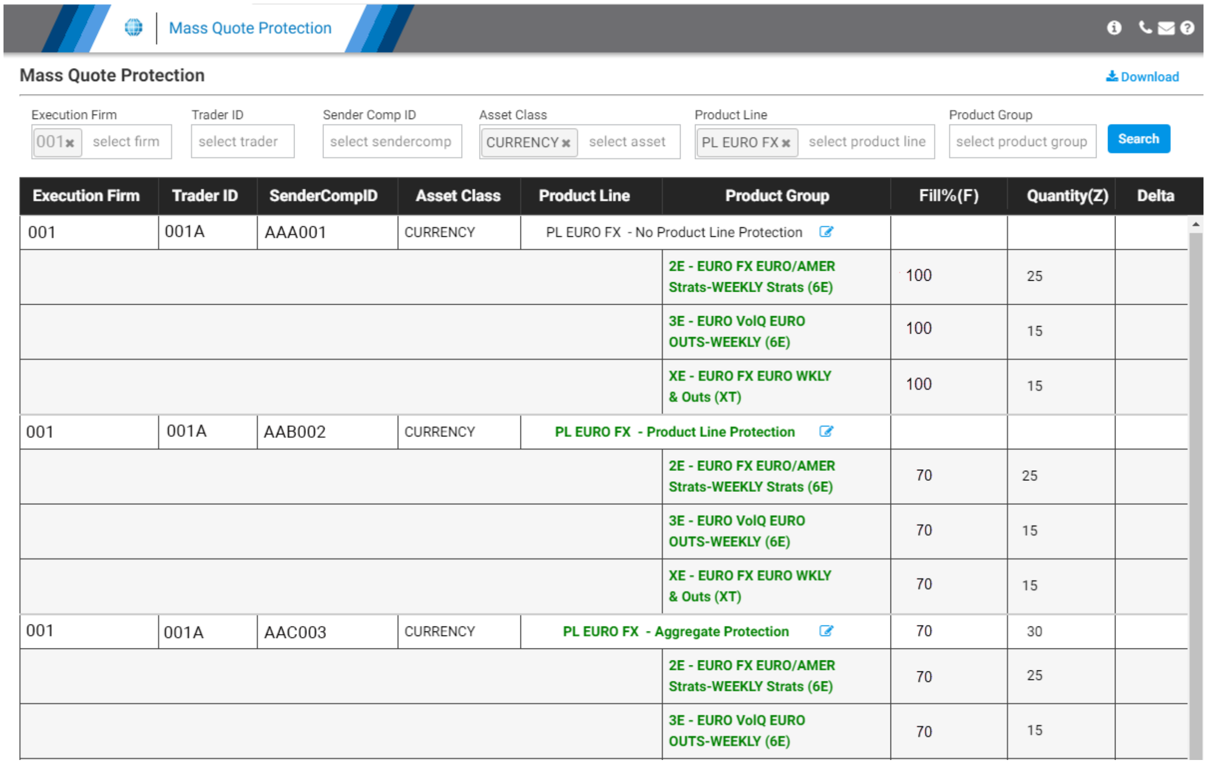
To assign MQP and configure thresholds:

1. From the **Mass Quote Protection** page, enter market participant and / or product search criteria, then click **Search**.



- **Market Participant** fields: Execution Firm, Trader ID, Sender Comp ID.
- **Product** fields: Asset Class, Product Line, Product Group.

> **Note**: Clicking **Search** without entered criteria searches all entitled mass quote details.



Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - No Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	
001	001A	AAB002	CURRENCY	PL EURO FX - Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	70	15	
					XE - EURO FX EURO WKLY & Outs (XT)	70	15	
001	001A	AAC003	CURRENCY	PL EURO FX - Aggregate Protection		70	30	
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	70	15	

2. From the search results, select **Edit Product Line Configuration** ( ).

   User selected mass quote protections require at least one MQP Type in positive whole integers between 1 through 9999.

   Configuration Options:

   a. **Product Line Protection** options

      - **Product Line enabled with no Product Line MQP values** - If a Group Code is part of the Product Line and the Group Code's MQP tally triggers the customer's threshold value, then the customer's resting quotes for the Product Line are automatically canceled.
      - **Product Line enabled with Product Line MQP values** - A tally to the more restrictive MQP threshold value, in excess of the Group Code and/or Product Line threshold, will trigger MQP functionality. The customer's resting quotes for the Product Line are automatically canceled by CME Globex if either of the following occurs:

Execution Firm	Trader ID	Sender Comp ID	Asset Class	Asset Class	Product Line
select firm	select trader	select sendercomp	select asset	select asset	select product line

Product Group: OC - CBOT CORN ✖ select product group

Search

Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
[illegible]	[illegible]	[illegible]	NEWPL	NEW - Product Line Protection		100		
					OC - CBOT CORN	100	33	33
100	1J0A	AAB002	NEWPL	NEW - Product Line Protection				
					OC - CBOT CORN	100	1000	

- **Aggregate Protection**

Execution Firm	Trader ID	Sender CompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - Aggregate Protection		100	30	
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	

- **Product Group Protection**

Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - No Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	

MQP Types

- **Fill % (F)**: During a given MQP exchange set evaluation period (one-second), the cumulative sum of the execution quantity of a quote, relative to its original quote quantity (traded quantity of the original total quantity).

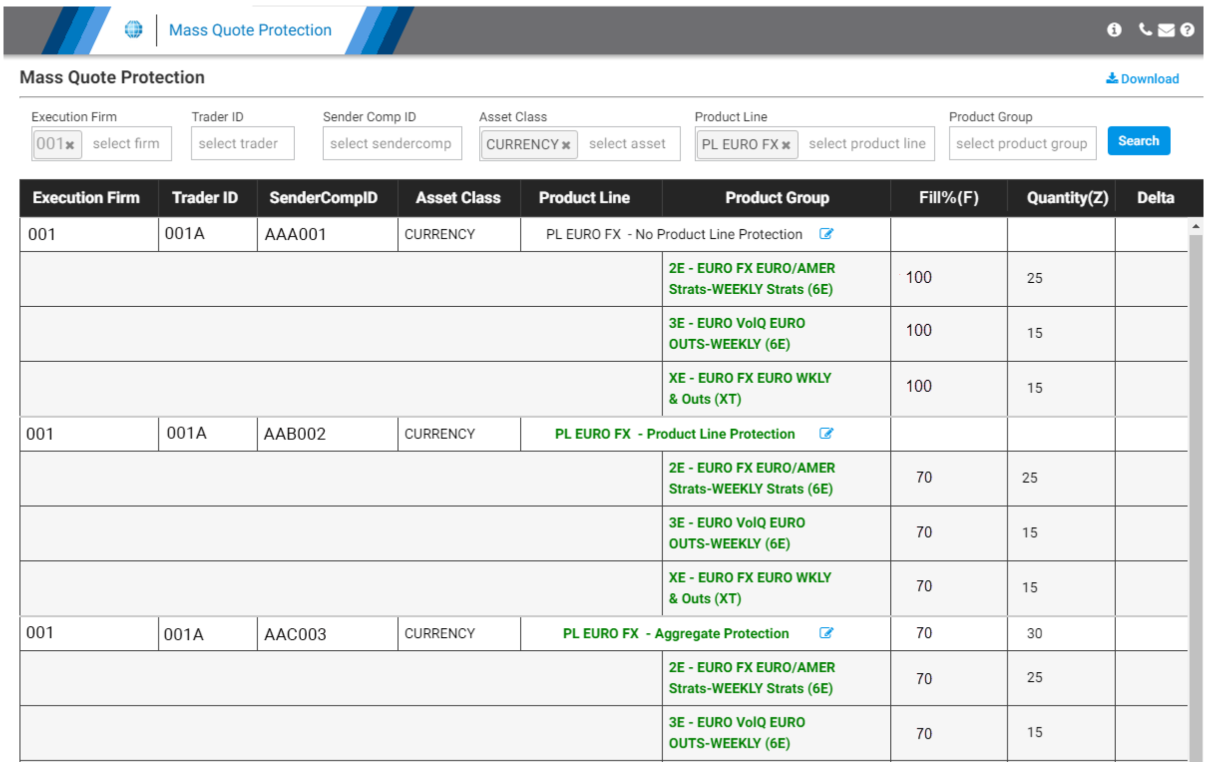
  Tallies each time a quote's bid or ask trades.

  The Original Booked Quantity of the quote is retained for calculating the fill percentage for all partial trades during the MQP duration.

  The following is treated as a new quote for calculations: (i) Modifications to quote quantity, (ii) percentage of trades as percentage the original quote are retained, (iii) modified quote.

> **Note**: Percentage protection must be greater than or equal to 70 percent - Percentage = ∑(*Traded Quantity in this Match Event / Original Booked Quantity of the quote*)

- **Traded Quantity** (**Z**): Traded quantity-based MQP. Tallies the number of lots traded.
- **Delta** (**D**): Traded delta-based MQP set by customers in absolute terms.
  - Tallies the net delta (equivalent futures) from each trade within the exchange set evaluation time (one-second). The value is entered as a positive integer but is evaluated at the positive (Long Call, Short Put) and negative (Short Call, Long Put) integer equivalents (e.g. a delta threshold value set at '5' equates to +5 or -5). Positive deltas increment the counter and Negative Deltas decrement the counter.
  - Deltas are calculated every 15 seconds throughout the trading session.
  - Deltas are netted for option spread trades (e.g. an option spread trade with leg deltas of +0.30 and -0.40 nets to -0.10).
  - The D tally can exceed the threshold value by a resting quote's total delta minus (or plus) 1 delta.



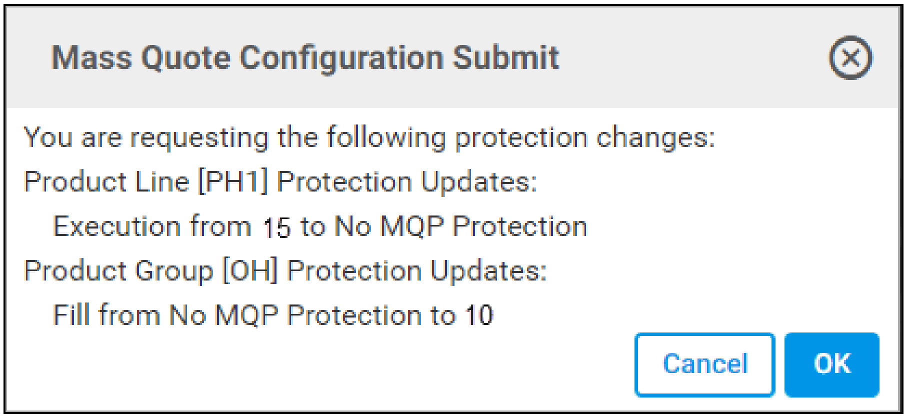
Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - No Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	
001	001A	AAB002	CURRENCY	PL EURO FX - Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	70	15	
					XE - EURO FX EURO WKLY & Outs (XT)	70	15	
001	001A	AAC003	CURRENCY	PL EURO FX - Aggregate Protection		70	30	
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	70	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	70	15	

Configuration options

- **Enable / Disable Product Line Protection**: Select to enable MQP for the Product Line and its Product Groups.
- **Delete all Product Group Protections**( ): For a given product group, delete all entered values.
- Entities with Product Line Protection must have values entered for at least one Product Group.
- **Cancel Editing**( ): Revert updates and cancel editing.

3. To submit entered values, select **Submit Changes** ( ), then **OK** on the confirmation dialog.

   MQP protections are effective immediately for the next customer submitted mass quote.



Depending on the Type and Level assigned, MQP threshold values are established at the Aggregate / Product Line / individual Group(s) levels.

For additional, see MQP Types (above), Product Line checkbox, Product Line, Values (below).

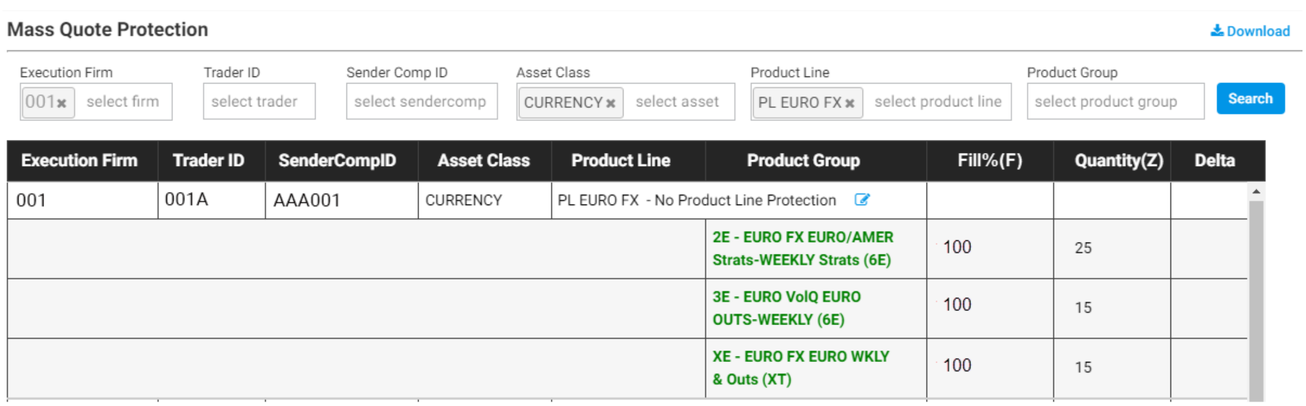
Enforcement

Using specified values, enforcement is available at the Product Group, Line and / or Aggregate levels; for each type and reference value.

Quotes that exceed the value of the respective MQP reference value (limit), within the exchange set time interval will be rejected; causing cancellation of resting and rejection of new mass quotes.

Available Product Line, Group Code or Aggregate protection are activated by the following configuration:

Product Group - (No Product Line Protection)



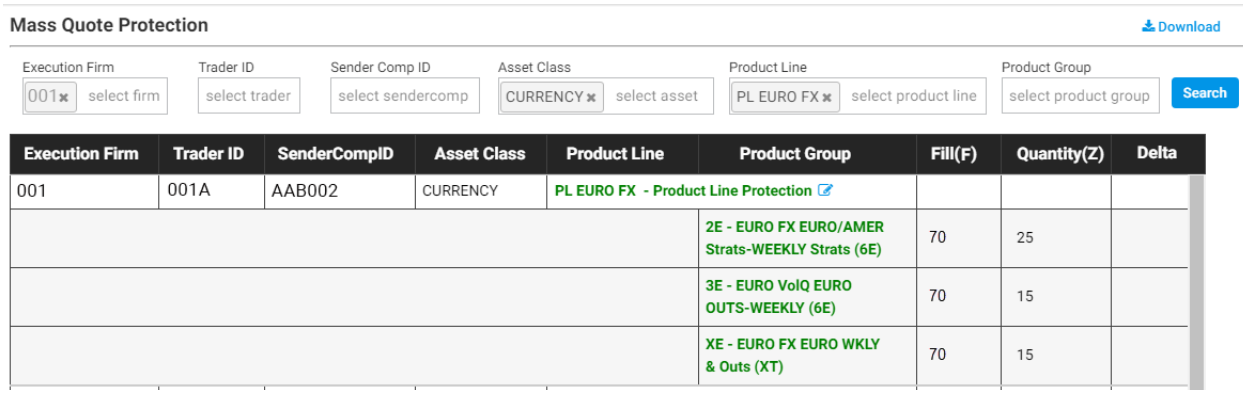
Mass Quote Protection — Download

Execution Firm: 001 | Trader ID: select trader | Sender Comp ID: select sendercomp | Asset Class: CURRENCY | Product Line: PL EURO FX | Product Group: select product group | Search

Execution Firm	Trader ID	SenderCompID	Asset Class	Product Line	Product Group	Fill%(F)	Quantity(Z)	Delta
001	001A	AAA001	CURRENCY	PL EURO FX - No Product Line Protection				
					2E - EURO FX EURO/AMER Strats-WEEKLY Strats (6E)	100	25	
					3E - EURO VolQ EURO OUTS-WEEKLY (6E)	100	15	
					XE - EURO FX EURO WKLY & Outs (XT)	100	15	

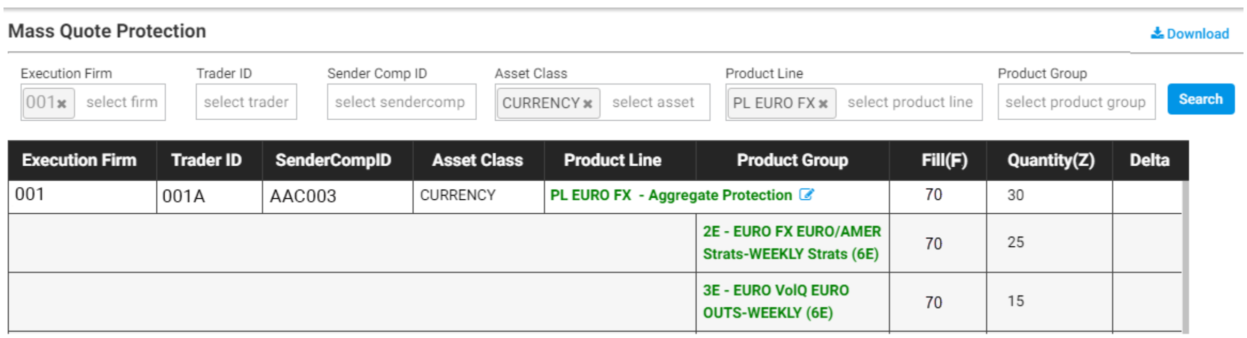
- **Product Line checkbox**: Not selected.
- **Product Line**: Not entered.
- **Values**: Entered at Product *Group* level

Product Line



- **Product Line checkbox**: Selected.
- **Product Line**: Not entered.
- **Product Group**: Value entered

Aggregate



- **Product Line checkbox**: Selected.
- **Product Line**: Value entered.
- **Product Group**: Value entered.

Additional details

For additional details refer to the Client Systems Wiki - Mass Quote Protections:

- Mass Quote Overview Video
- **Time interval**: Exchange-defined time interval during which MQPs are counted and enforced.
- MQP Types: Reference values with examples.
- Enforcement Levels: Protection types with examples.
  - **Trigger**: Scenarios and examples that trigger MQP.
  - **Message Reset**: Describes manual reset of MQP tally(s) to zero and subsequent Mass Quote message processing.
  - **Product lines**: Product lines currently available for MQP.

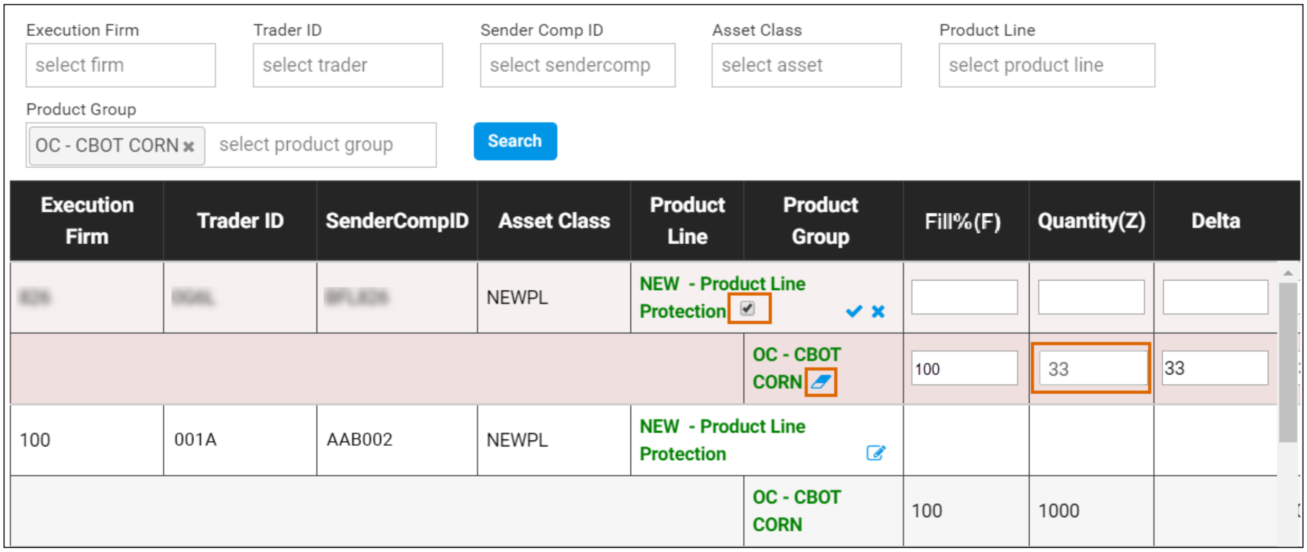
Deleting Mass Quote Protections

To delete Product Group Protection:

1. Perform a search.
2. For a given product group, select Edit Product Line Configuration ( ).

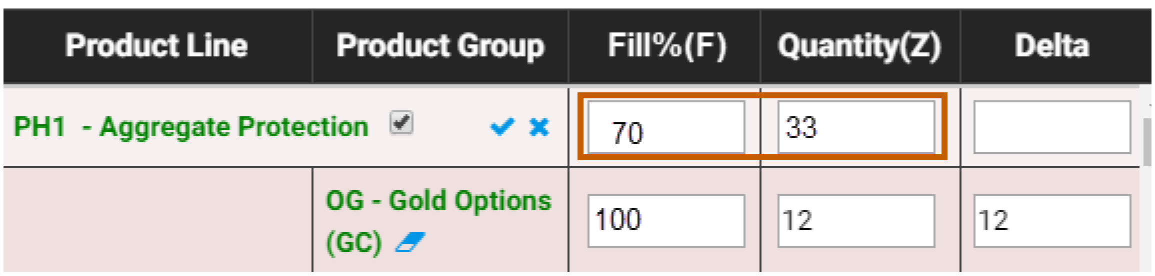
   The following delete options are available:

   Product Line: Delete **Product Line** values and deselect the **Product Line Protection** checkbox.

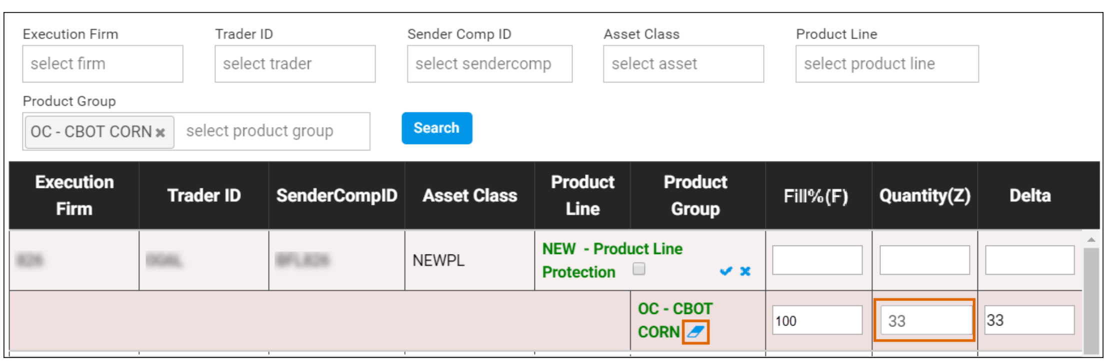


   Aggregate: Delete from Product Line (only) changes **Aggregate** to **Product Line** Protection.

   To remove all protections, also delete **Product Group** values and deselect the **Product Line Protection** checkbox.

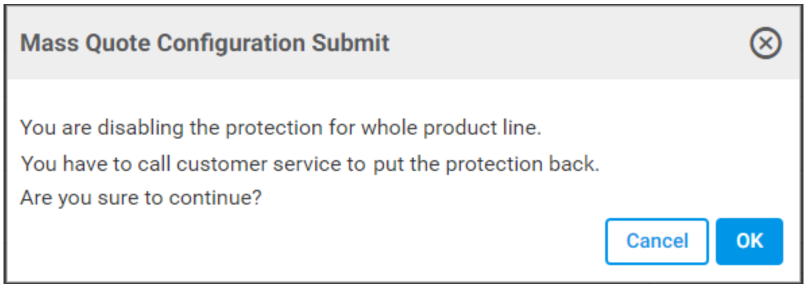


   Product Group(No Product Line Protection): For a given **Product *Line***, delete individual or **All** ( ) **Product *Group*** values.



   All: Delete **Product Line** value(s), delete **Selected** or **All** ( ) product group values, deselect **Product Line Protection** checkbox.

   Submitting this update will remove the product from the MQP protection. To restore MQP, contact Global Account Management.



3. To finalize, select **Submit** ( ).

   A message dialog confirms updates.