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**Monday, July 2, 2018**

**Futures Trader Alert #2018 - 12**  
Initial Listing & Margin Notice for U.S. DV01 Treasury Futures Contract for Trade Date July 19, 2018 + OCC Sample SPAN File Available

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| **Category:**           System Impact  **Markets Impacted:**           [Nasdaq Futures, Inc.](http://www.nasdaqtrader.com/Micro.aspx?id=nasdaqfuturesNQF)  **Contact Information:**           [U.S. Market Operations - Futures & Options](mailto:tradingservices@nasdaqomx.com) at +1 215 496 5409           [U.S. Market Sales](mailto:sales@nasdaqomx.com) at +1 844 236 3191           [Futures Sales](mailto:nfxsales@nasdaq.com)           [Futures Regulation](mailto:futuresreg@nasdaq.com)           [NFX Market Operations](mailto:Nfxops@nasdaq.com) | Pending all regulatory approvals, effective with the Open Session on July 18, 2018 for Trade Date July 19, 2018, the Exchange will list the following Futures Contract:   |  |  |  |  | | --- | --- | --- | --- | | **Rulebook Appendix A Chapter** | **Name of Energy Futures Contract and Trading Symbol** | **Number of Contract Months Listed** | **First and Last Months** | | 2010 | U.S. 10-YR DV01 Treasury Futures (Base symbol TYDX) | 1 | Nov. 2018 |     Exchange rules provide that the underlying interest in 10-YR DV01 Treasury Futures contracts is the dollar value (DV01) of a one basis point change in yield of the current On-The-Run 10-year U.S. Treasury note with a face value of one million dollars having fixed semi-annual coupon payments, as determined by the Exchange. The Exchange has determined that the DV01 for TYDX is $850.  TYDX prices are quoted in Yield-Derived Price, which is 100 minus the yield on the corresponding 10-year U.S. Treasury note expressed as a percentage. (For example, a yield of 2.065 percent shall be expressed as a Yield-Derived Price of 97.935.) The minimum increment is one tenth basis point (.001), which is equivalent to one-tenth of the contract month DV01. Accordingly, the TYDX minimum increment is $85.00.  When the Exchange lists additional U.S. 10-YR DV01 Treasury Futures contract months, those contract months will be assigned a base trading symbol and a DV01. The DV01 assigned by the Exchange at the time of listing will not change for the life of the contract month. There will never be a contract month with variable DV01 dollar values. Contract months having the same DV01 will be assigned the same base symbol.  The Options Clearing Corporation (OCC) has informed the Exchange that a sample U.S. 10-YR DV01 Treasury Futures SPAN file is available to OCC Member Firms upon request from assigned Member Services Representatives.  For additional information, please contact [NFX Market Operations](mailto:Nfxops@nasdaq.com).  **How will speculative customer initial margin be determined?**  Pursuant to CFTC regulations, The Options Clearing Corporation (“OCC”) will set the speculative customer initial margin requirement on NFX futures and options on futures. CFTC regulations require OCC to set the customer initial margin requirement at an amount that is higher than OCC’s clearing member margin requirement. OCC has advised NFX that the customer initial margin requirement for NFX contracts will be set to a dollar amount that equals 110% of the greater of Value-at-Risk (VaR) level calculated using a 99% confidence interval for the daily price returns using a 2-year and 5-year look-back period (on a per contract basis). In addition, for products having an economically equivalent contract listed on another market center, OCC will not allow its rates to fall below that of the primary listing exchange. OCC has advised NFX that customer initial margin requirement are reset approximately every 90 calendar days and monitored daily, with rates being re-set should a one-day change in settlement price exceed the prevailing rate at the time. In addition, OCC has authority to update customer initial margin requirements at any time, if deemed warranted, and as dictated by market conditions.  **How will customer maintenance margin be determined?**  NFX has adopted OCC’s VaR calculation as described above as the customer maintenance margin requirement.  **How will hedge customer initial margin and futures participant initial margin be determined?**  NFX has adopted OCC’s VaR calculation as described above as the initial and maintenance margin requirement for hedge customers and Futures Participants.  **Where can I find the margin rates?**  NFX margin rates will be available on the OCC website at: [www.theocc.com](http://www.theocc.com/).  For additional information, please contact [NFX Market Operations](mailto:Nfxops@nasdaq.com) or call 215.496.5409. |

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