

Product Submission by ForecastEx LLC – Pursuant to 17 C.F.R. §§ 40.2

July 26, 2024
SUBMITTED VIA CFTC PORTAL
Secretary of the Commission
Office of the Secretariat
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: ForecastEx LLC – CFTC Regulation 40.2(a) Notification Regarding the Initial Listing of “US Fed Funds Target Rate Event Market”

Dear Mr. Kirkpatrick,

Pursuant to Section 5c(c) of the Commodity Exchange Act and Section 40.2(a) of the regulations of the Commodity Futures Trading Commission, ForecastEx LLC (“ForecastEx” or the “Exchange”) hereby notifies the Commission that it is self-certifying the “US Fed Funds Target Rate Event Market”. ForecastEx will list an Event Market corresponding to each release of a policy statement by The Federal Open Market Committee (FOMC).

The submission includes:

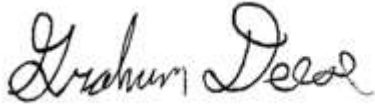
A concise explanation, analysis and background of the Contract;

- Certification;
- Appendix A with the Contract’s Terms and Conditions;
- Confidential Appendices with further information; and
- A request for FOIA confidential treatment.

The Exchange certifies that this submission (other than those appendices for which confidential treatment has been requested) has been concurrently posted on the Exchange’s website.

Any questions regarding this filing, as well as any notices pursuant to Commission Regulation 40.2, should be directed to the attention of the undersigned by phone or email at gdeese@forecastex.com or 630-743-9013.

Respectfully submitted,

A handwritten signature in black ink that reads "Graham Deese". The signature is written in a cursive, flowing style.

Graham Deese
ForecastEx Chief Regulatory Officer

Encl. (Appendix A)

cc: David Downey, ForecastEx Chief Executive Officer
Andrew Naughton, ForecastEx Chief Financial Officer

Attachments:

Appendix A - Contract Terms and Conditions

Appendix B (Confidential) – Explanation and Analysis of the Product

Appendix C (Confidential) – Certification that Contracts are not Readily Susceptible to Manipulation

Appendix A – Contract Terms and Conditions

Event Question: Will the US Federal Funds Target Rate be set above [#.##%] at the FOMC meeting ending [date]?

Product Code: FF

Instructions: The Federal Funds Target Rate is published by The Federal Open Market Committee (“FOMC”). The FOMC holds eight regularly scheduled meetings each year, where among other things, the FOMC determines the federal funds target rate. A schedule of meeting dates are available [here](#) and the data is released at 1:00 PM CT at the conclusion of each meeting.

Underlying: The Underlying for this Contract is the midpoint of the target federal funds range published by the official website of the Federal Reserve in the latest table entry under the Column titled “Level (%)” can be found [here](#). The linked website displays a continuously updated list of changes to the target federal funds range in table format. The most recent entry on the page determines the value of the Underlying. Each month’s report is available [here](#), which automatically displays the current year’s reports and pdf link to each report. Links are provided for informational purposes only and the source agency may decide to publish the data at a different location at any time.

Source Agency: The Federal Open Market Committee

Minimum Tick: The Minimum Tick size for the referred Contract shall be \$0.01

Listing Cycle: ForecastEx will list expirations of Fed Funds Target Rate which will correspond with the published schedule of FOMC meeting dates, including any meetings listed as “tentative”.

Threshold Listing: For each contract expiration, two initial thresholds will be listed. There will be one rate that is higher and one rate that is lower than the anticipated rate decided by the FOMC. Any additional thresholds will be listed at ForecastEx’s discretion.

Position Accountability: The position accountability level is 250,000 Event Positions in any one Event Market

Last Trading Time: 11:59:59 PM CT on the trading day preceding the Resolution Time.

Payout Criteria: The Settlement Value of each Fed Funds Target Rate Contract is \$1.00 or \$0 depending on the Outcome of the Event Question. If the Outcome of the Event Question is “Yes”, then holders of the “Yes” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “No” Position will receive \$0.00. If the Outcome of the Event Question is “No”, then holders of the “No” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “Yes” Position will receive \$0.00.

Resolution Time: 1:00 PM CT when the Federal Open Markets Committee publishes the Fed Funds Target Rate.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that Federal Open Market Committee releases Fed Funds Target Rate data. There are circumstances where ForecastEx may change the Resolution Time of a Contract.

1. **Delay by Source Agency:** In the event that the release of the Fed Funds Target Rate is delayed by the Federal Open Market Committee, ForecastEx will delay the Resolution Time of the Contract until such time as the Federal Open Market Committee releases the Fed Funds Target Rate data. In this case, ForecastEx would release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the contract ultimately resolves.
2. **A tentatively schedule meeting date changes:** The Federal Open Market Committee generally publishes the release dates for Fed Funds Target Rate data up through the end of the current calendar year and an additional tentative meeting the following year. If the date of one of these meetings changes after it is initially published, ForecastEx will update the Resolution Times of the contract to match the new schedule and publish a public notice to its website informing Market Participants of the revised Resolution Time.

Expiration Time: Same as Resolution time.

Settlement Time: Settlement for Resolved Fed Funds Target Rate Contracts will occur after Resolution Time. Because Resolution Time is after 12:00 PM CT, Settlement for those Fed Funds Target Rate contracts will take place at 13:00 PM CT the following Business Day in accordance with ForecastEx Rule 603(b)(3).