

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 Unemployment 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 Unemployment Rate Event Market”. ForecastEx will list an Event Market corresponding to each monthly release of “The Employment Situation” report by the United States Bureau of Labor Statistics (“BLS”).

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 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 Unemployment Rate exceed [#.#%] in [month][year]?

Product Code: UNR

Instructions: The U-3 unemployment rate is published by the US Bureau of Labor Statistics (“BLS”) on the third Friday following the end of the pay week including the 12th of the month. A schedule of release dates is available on the website: [here](#) and the data is released at 7:30 AM CT.

Underlying: The Underlying is the monthly U-3 unemployment rate, measuring total unemployment as a percent of the civilian labor force. The Underlying can be found in BLS’s monthly release of The Employment Situation, which can be accessed: [here](#). Each month’s report is available at the following stable URL, which automatically displays the latest available report: [here](#). The Underlying is typically listed in the first sentence of the first page of the monthly report under the heading “THE EMPLOYMENT SITUATION- [Month/Year]”. 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: BLS

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

Listing Cycle: ForecastEx will list eight expirations of the US Unemployment Rate at any given time which will go out to a maximum of 24 months. ForecastEx will list the next three calendar month releases. After the third monthly contract, ForecastEx will list the three monthly releases corresponding to the end of each quarter (The March, June, September, and December US Unemployment Rate data releases). Finally, ForecastEx will list the two monthly contracts corresponding with the next June and December releases that follow the third quarterly release.

Threshold Listing: For each contract expiration, one threshold will initially be listed and 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 US Unemployment Rate 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: 7:30 AM CT when BLS publishes The Employment Situation.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that BLS releases unemployment 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 US Unemployment Rate is delayed by the BLS, for instance in a government shutdown, ForecastEx will delay the Resolution Time of the Contract until such time as the BLS releases the US Unemployment Rate. 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. **Contracts with no currently scheduled release date:** The BLS generally publishes the release dates for US Unemployment Rate data up through the end of the current calendar year. ForecastEx will list multiple US Unemployment Rate contracts that have Resolution dates beyond the currently published schedule of releases. For these contracts, ForecastEx will approximate the Resolution Time based on the anticipated release schedule from BLS. Once BLS has published the release schedule, ForecastEx will update the Resolution Times of the contract if necessary 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 US Unemployment Rate Contracts will occur after Resolution Time. Because Resolution Time is before 12:00 PM CT, ForecastEx expects to resolve Unemployment Rate contracts at 07:30 AM CT on the day the BLS publishes the Unemployment Rate. Settlement for those Unemployment Rate contracts will take place at 13:00 PM CT that same Business Day.