

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional):** 18-316

**Organization:** Chicago Mercantile Exchange Inc. ("CME")

**Filing as a:**  **DCM**  **SEF**  **DCO**  **SDR**

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy):** 08/23/2018 **Filing Description:** Initial Listing of the E-mini Standard and Poor's Communication Services Select Sector Index Futures Contract

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

**Please note only ONE product per Submission.**

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**

August 23, 2018

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
3 Lafayette Center  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding Initial Listing of the E-mini Standard and Poor's Communication Services Select Sector™ Index Futures Contract.  
CME Submission No. 18-316**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC") that it is self-certifying the initial list of the E-mini Standard and Poor's Communication Services Select Sector™ Index futures contract (the "Contract") for trading on the CME Globex electronic trading platform and for submission for clearing on CME ClearPort effective on Sunday, September 9, 2018, for trade date of Monday, September 10, 2018.

In what follows:

- Section 1 summarizes contract terms and conditions.
- Section 2 describes administration and governance of the Standard and Poor's ("S&P") Communication Services Select Sector Index ("Index").
- Section 3 establishes that the Index is not narrow-based according to the standards set forth in Section 1a(25) of the Commodity Exchange Act ("CEA" or "Act").
- Section 4 delineates standards for block trading in the contract.
- Section 5 addresses compliance of the rule amendments certified herein with the pertinent Core Principles for Designated Contract Markets set forth in the Act ("Core Principles").

Appendix A presents the amendments to CME Rulebook Chapter 369 ("E-mini Standard and Poor's Select Sector™ Stock Index Futures") that are required to codify the contract terms and conditions. Appendix B addresses the applicable position limits and reportable position levels pursuant to CME Rulebook Chapter 5. Appendix C sets forth the applicable CME Globex non-reviewable trading ranges as prescribed in CME Rule 588.H., and Appendix D defines the pertinent special price fluctuation limits pursuant to CME Rule 589.

## Section 1 – Contract Specifications

All times of day are Central Time (“CT”) unless otherwise noted.

<i>Contract Title</i>	E-mini Standard and Poor’s Communication Services Select Sector™ Index Futures								
<i>Commodity Codes</i>	<i>Outright and Calendar Spread:</i> XAZ <i>Basis Trade at Index Close (“BTIC”):</i> XZT								
<i>Trading Unit</i>	\$250 x S&P Communication Services Select Sector Index. As of July 13, 2018, contract notional size is approximately \$67,507.								
<i>Listing Schedule</i>	Five (5) nearest consecutive months in the March Quarterly cycle (March, June, September, December). Delivery months at initial listing: Sep 2018, Dec 2018, Mar 2019, Jun 2019, Sep 2019.								
<i>Price Basis and Minimum Price Increment</i>	Prices are quoted and traded in Index points. Minimum price increments --  <i>Outright:</i> 0.05 Index points, equal to \$12.50 per contract. <i>Calendar Spread:</i> 0.05 Index points, equal to \$12.50 per calendar spread. <i>BTIC:</i> 0.05 Index points, equal to \$12.50 per contract.								
<i>Price Limits</i>	Price limits for a given Business Day are made by reference to Fixing Price made by Exchange on previous Business Day, equal to volume-weighted average price calculated on basis of futures trading activity between 2:59:30pm and 3:00:00pm.  <table border="1"> <thead> <tr> <th><i>Interval</i></th> <th><i>Price Limits</i></th> </tr> </thead> <tbody> <tr> <td><b>5:00pm to 8:30am</b></td> <td>5% above Fixing Price to 5% below Fixing Price</td> </tr> <tr> <td><b>8:30am to 3:00pm</b></td> <td>Sequential circuit breaker limits at 7%, 13%, and 20% below Fixing Price</td> </tr> <tr> <td><b>3:00pm to 4:15pm</b></td> <td>\$5% above Fixing Price to 5% below Fixing Price, provided there is no breach of current day’s circuit breaker limit of 20% below Fixing Price</td> </tr> </tbody> </table>	<i>Interval</i>	<i>Price Limits</i>	<b>5:00pm to 8:30am</b>	5% above Fixing Price to 5% below Fixing Price	<b>8:30am to 3:00pm</b>	Sequential circuit breaker limits at 7%, 13%, and 20% below Fixing Price	<b>3:00pm to 4:15pm</b>	\$5% above Fixing Price to 5% below Fixing Price, provided there is no breach of current day’s circuit breaker limit of 20% below Fixing Price
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<b>3:00pm to 4:15pm</b>	\$5% above Fixing Price to 5% below Fixing Price, provided there is no breach of current day’s circuit breaker limit of 20% below Fixing Price								
<i>Termination of Trading</i>	Last Day of Trading in expiring contracts is 3 <sup>rd</sup> Friday of contract delivery month.  Trading in expiring contracts terminates at 8:30am on Last Day of Trading. BTIC trading terminates at 3:00pm on the first Business Day before Last Day of Trading.								
<i>Delivery</i>	Delivery is by cash settlement by reference to Final Settlement Price, equal to Special Opening Quotation of Index based on opening prices of Index component stocks on Last Day of Trading.								
<i>Position Limits and Reporting Thresholds</i>	<i>Position Reportability:</i> 25+ contracts <i>All-Month Position Limit (Net Futures Contract Equivalents):</i> 25,000 contracts								
<i>Trading and Clearing Hours</i>	<i>CME Globex:</i> 5pm to 4pm, Sun-Fri, with trading halt from 3:15pm to 3:30pm, Mon-Fri. <i>CME ClearPort:</i> 5pm to 4pm, Sun-Fri.								
<i>Minimum Block Trade Size</i>	50 contracts								
<i>CME Globex Matching Algorithm</i>	F: First In, First Out (FIFO) <i>CME Globex Non-Reviewable Range (NRR):</i> 2 Index points.								

Exchange Fees:

Membership Type	Venue/Transaction Type	Exchange Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex	\$0.35
	EFP	\$1.84
	EFR	\$1.84
	Block	\$1.84
	BTIC*	\$1.84
	Delivery	\$0.09
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.47
	EFP	\$1.96
	EFR	\$1.96
	Block	\$1.96
	BTIC*	\$1.96
	Delivery	\$0.21
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.50
	CME Globex – BTIC*	\$2.14
Rule 106.H and 106.N Firms	CME Globex	\$0.60
	EFP	\$2.14
	EFR	\$2.14
	Block	\$2.14
	BTIC*	\$2.14
	Delivery	\$0.39
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants	CME Globex	\$0.60
	CME Globex – BTIC*	\$2.15
Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Participants (For other than CME Globex - Non-Member rates apply)	CME Globex – Outrights	\$0.87
	CME Globex Spreads	\$0.80
	CME Globex – BTIC*	\$2.15
CBOE Members (For S&P products only; for all other products - Non-Member rates apply)	CME Globex – Outrights	\$1.13
	CME Globex Spreads	\$0.75
	EFP	\$2.10
	EFR	\$2.10
	Block	\$2.10
	BTIC*	\$2.10
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex – ETH Only	\$0.66
Non-Members	CME Globex – Outrights	\$1.18
	CME Globex Spreads	\$0.80
	EFP	\$2.15
	EFR	\$2.15
	Block	\$2.15
	BTIC*	\$2.15
	Delivery	\$0.40

\* The Exchange shall waive BTIC Exchange fees, for the Contract until trade date Monday, October 1, 2018.

## Section 2 – Index Definition, Administration, and Governance

### Index Definition<sup>1</sup>

The S&P 500<sup>®</sup> Stock Price Index and the S&P Select Sector Indices are administered and published by S&P Dow Jones Indices LLC (“SPDJI”). All components of the S&P 500<sup>®</sup> Stock Price Index are assigned to at least one of the eleven Select Sector Indices. For each Select Sector Index, the constituent shares are determined on the basis of the Global Industry Classification Standard (GICS<sup>®</sup>).

The Communication Services Select Sector Index has been published by SPDJI since April 30, 2018. It was introduced to reflect the following changes to the GICS structure, which shall take effect in September 2018:

- The Telecommunication Services Industry Group, currently located within the Technology Sector, shall be removed from the Technology Sector and renamed as the Communication Services Sector.
- The Media Industry Group, currently located within the Consumer Discretionary Sector, shall be removed from the Consumer Discretionary Sector, relocated to the new Communication Services Sector, and renamed as the Media & Entertainment Industry Group, comprising three Industries: Media, Entertainment, and Interactive Media & Services.

As of May 16, 2018, the Index had 26 constituents with total market capitalization of \$2.35 trillion, average market capitalization of \$92.5 billion, and median market capitalization of \$34.9 billion.

### Index Administration and Governance

SPDJI was formed in June 2012 as a joint venture between S&P Indices and Dow Jones Indexes. Headquartered in New York, SPDJI employs over 390 persons operating out of 20 offices worldwide.

SPDJI issued a Statement of Alignment with respect to the recommendations made by the International Organization of Securities Commissions (“IOSCO”) in its Principles for Financial Benchmarks Final Report (“IOSCO Principles”). The Statement of Alignment may be found among “IOSCO Documents” at <https://us.spindices.com/governance/overview/>

SPDJI’s overall governance and control framework incorporates multiple components that, together, protect the integrity and quality of its Benchmarks. These include:<sup>2</sup>

- a) A corporate structure that isolates the SPDJI Benchmark business into a single corporate entity.
- b) An organizational/operating structure that separates commercial, operational and editorial/analytical functions into distinct reporting lines.
- c) An independent Benchmark governance body (Index Committees) with documented Benchmark governance policies and procedures.

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<sup>1</sup> This passage draws from the following primary sources:

S&P Dow Jones Indices, “Communication Services Select Sector”, at <https://us.spindices.com/indices/equity/communication-services-select-sector>

Jodie Gunzberg, “A First Look Inside The Communication Services Select Sector Index”, May 17, 2018, S&P Dow Jones Indices, available at: <http://www.indexologyblog.com/2018/05/17/a-first-look-inside-the-communication-services-select-sector-index/>

S&P Dow Jones Indices, “S&P U.S. Indices Methodology”, July 2018, available at: [https://us.spindices.com/documents/methodologies/methodology-sp-us-indices.pdf?force\\_download=true](https://us.spindices.com/documents/methodologies/methodology-sp-us-indices.pdf?force_download=true)

<sup>2</sup> *Management Statement of Adherence with the IOSCO Principles for Financial Benchmarks for the period June 1, 2016, through May 31, 2017*, Section 1, pg 2, S&P Dow Jones Indices, available at <https://us.spindices.com/governance/overview/>

- d) A control framework to ensure a sound process for developing, calculating and distributing its Benchmarks.
- e) An oversight function that monitors and enforces, among other things, SPDJI's compliance with its various conflicts of interest policies.
- f) Processes with designated individuals and teams to work with and oversee the various third parties involved in the Benchmark determination process.

## Section 3 – Index Evaluation

The CEA requires that security futures products, defined to comprise single stock futures and futures on narrow-based security indexes, shall be subject to the joint jurisdiction of the CFTC and the Securities Exchange Commission ("SEC"). Futures products for which the underlying references are broad-based security indexes remain under the sole jurisdiction of the CFTC.

Section 1a(25) of the Act defines a narrow-based index to be an index

- (i) which has nine (9) or fewer component securities; or
- (ii) in which any component security comprises more than 30 percent of the index's weighting; or
- (iii) in which the 5 highest weighted component securities in the aggregate represent more than 60 percent of the index's weighting; or
- (iv) in which the lowest weighted component securities comprising, in the aggregate, 25 percent of the index's weighting have an aggregate dollar value of average daily trading volume of less than \$50,000,000 (or in the case of an index with 15 or more component securities, less than \$30,000,000).

As detailed below, the Index triggers none of the criteria for consideration as a narrow-based index. *The Exchange has determined, therefore, that the contract shall be listed for trading under the sole jurisdiction of the CFTC.*

In respect of criterion (i), the number of Index component securities – currently 26 – is nearly three times the size of the 9-security minimum threshold.

In respect of criteria (ii), (iii), and (iv), Exhibit 1 displays summary statistics of daily data for the interval January 3 to June 4, 2018. For criterion (ii), the share of index weight occupied by the largest component stock, test results appear in the left-hand panel of Exhibit 1. For the Index, the entire distribution of daily outcomes resides below the 30 percent threshold that would signify a narrow-based index. At no point does the Index's largest component stock account for more than 21 percent of index weight.

Similar results obtain for criterion (iii), shown in the middle panel of Exhibit 1. In each case, the entire empirical distribution of the daily percentage share of aggregate weight of the Index's largest five component stocks lies below 60 percent. At no point do the largest five members of the Index account for more than a 54 percent share.

Finally, summary statistics for the distribution of trading volume, shown in Exhibit 1's right-hand panel, demonstrate that the Index is not narrow-based in the sense of criterion (iv). The test procedure is to rank an index's component stocks from smallest market capitalization to largest, then to identify index components with smallest market capitalizations in sufficient number to account for 25 percent of index weight. If the representative aggregate daily trading volume of such identified index components were less

than \$50 million, then the index would be considered narrow-based. For the Index, the daily values of this measure consistently exceed \$280 million per day, more than a five-fold multiple of the test threshold.

**Exhibit 1 –  
CEA Section 1a(25) Narrow-Based Index Tests for the S&P Communication Services Select Sector Index**

Quantiles of empirical distributions of daily measures of Index characteristics, January 3 through June 4, 2018.

	<i>Criterion (ii)</i> <i>Index weight of largest index component (pct)</i>	<i>Criterion (iii)</i> <i>Aggregate index weight of largest 5 index components (pct)</i>	<i>Criterion (iv)</i> <i>Trading volume of smallest index components aggregating to 25 pct of index weight (\$ billions / day)</i>
<i>Maximum</i>	20.97	53.55	4.644
<i>75 Pctl</i>	19.97	52.33	2.129
<i>Median</i>	19.38	51.69	1.838
<i>25 Pctl</i>	18.96	51.05	1.539
<i>Minimum</i>	17.81	49.92	0.288

Data Source: Bloomberg LLC

## Section 4 – Block Trading Standards

Standards for block trading in the contract shall be commensurate with established standards that now apply to the Exchange’s extant E-mini Standard and Poor’s Select Sector™ Index futures products. The minimum size threshold for an outright purchase or sale, executed as a block trade, shall be 50 contracts. The minimum size threshold for a BTIC transaction, executed as a block trade, also shall be 50 contracts. The required interval for reporting any such block transaction to the Exchange shall be five minutes or less during RTH and 15 minutes or less during ETH and ATH.<sup>3</sup>

## Section 5 -- Compliance with Core Principles

The Exchange has reviewed the Core Principles and has identified that the contract terms and conditions certified herein may bear upon the following Core Principles:

### **Core Principle 2 – Compliance with Rules**

Trading in the contract shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in the contract shall be subject to the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in the contract shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

### **Core Principle 3 – Contracts Not Readily Subject to Manipulation**

The Index underlying the contract is sufficiently broad in definition and scope to deter attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlement of expiring contracts. As of July 13, 2018, the S&P Communication Services Select Sector Index comprised 26 component stocks with approximate aggregate market capitalization of \$2.55 trillion.

<sup>3</sup> ATH: 4:00 p.m. – 12:00 a.m. CT, Monday through Friday on regular business days and at all times on weekends.  
ETH: 12:00 a.m. – 7:00 a.m. Central Time (CT), Monday through Friday on regular business days.  
RTH: 7:00 a.m. – 4:00 p.m. CT, Monday through Friday on regular business days.

#### ***Core Principle 4 – Prevention of Market Disruption***

Trading in the contract shall be subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the contract shall be subject to monitoring and surveillance by CME Group's Market Regulation Department.

Further, as with any new product that is listed on a CME Group designated contract market and that references a broad-based index of US equity share prices, trading in the contract shall be subject to price limits that are harmonized with the US equity market-wide limit up-limit down mechanism set forth in the "Plan to Address Extraordinary Market Volatility Submitted to the Securities and Exchange Commission Pursuant to Rule 608 of Regulation NMS under the Securities Exchange Act of 1934"<sup>4</sup> and implemented under, eg, New York Stock Exchange Rule 80B ("Trading Halts Due to Extraordinary Volatility") or under Nasdaq Stock Market Rule 4121 ("Trading Halts Due to Extraordinary Volatility").

#### ***Core Principle 5 – Position Limits or Accountability***

The contract shall be subject to an All Month Position Limit of 25,000 net futures contract equivalents and to a Position Reporting Level of 25 contracts. Both requirements are comparable to standards that apply generally to US equity index futures products currently listed for trading by the Exchange.

To place the prescribed Position Limit in context, consider market conditions on July 13, 2018. With the closing value of the S&P Communication Services Select Sector Index at 270.03, the notional value of a hypothetical 25,000-lot position in the contract would be approximately \$1.688 billion (equal to (270.03 Index points) x (\$250 per Index point per contract) x (25,000 contracts)). This represents less than 0.07 percent (*ie*, seven 1/100ths of one percent) of the Index's closing market capitalization of \$2.55 trillion.

#### ***Core Principle 7 – Availability of General Information***

The Exchange shall disseminate a Special Executive Report ("SER") that sets forth information regarding contract specifications, terms, and conditions. In addition to such SER, daily trading volume, open interest, and price information in the contract shall be published on the Exchange's website.

#### ***Core Principle 8 – Daily Publication of Trading Information***

The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

#### ***Core Principle 9 – Execution of Transactions***

The contract shall be listed for trading on CME Globex, which provides for efficient, competitive, and open execution of transactions. Additionally, CME Globex affords the benefits of reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges are set forth in Appendix C.

#### ***Core Principle 10 – Trade Information***

All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

#### ***Core Principle 11 – Financial Integrity of Transactions***

Contracts certified herein shall be cleared by CME Clearing, which is registered with the Commission as a derivative clearing organization, and which is subject to all CFTC regulations related thereto.

#### ***Core Principle 12 – Protection of Markets and Market Participants***

CME Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange's competitive trading venues and will apply to transactions in the contract.

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<sup>4</sup> Exhibit A, Securities Exchange Act Release No 67091, 31 May 2012 (77 FR 33498, 6 June 2012), as amended from time to time (U.S. Securities and Exchange Commission, SRO Rulemaking, National Market System Plans, File 4-631).



### ***Core Principle 13 – Disciplinary Procedures***

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in the contract shall be subject to these provisions. The Exchange’s Market Regulation Department has the authority to exercise its powers of enforcement if rule violations in the contract are identified.

### ***Core Principle 14 – Dispute Resolution***

Disputes in respect of the contract shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

The Exchange certifies that the contract terms and conditions certified herein comply with the Act, including all regulations thereunder. There were no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange’s website at <http://www.cmegroup.com/market-regulation/rule-fillings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or [CMESubmissionInquiry@cmegroup.com](mailto:CMESubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	Amendments to CME Rulebook Chapter 369 (“E-mini Standard and Poor’s Select Sector™ Stock Index Futures”) (blackline format)
	Appendix B	Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook (attached under separate cover)
	Appendix C	CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
	Appendix D	CME Rule 589. – (“Special Price Fluctuation Limits and Daily Price Limits”) Table

## Appendix A

### CME Rulebook Chapter 369 ("E-mini Standard and Poor's Select Sector™ Stock Index Futures")

(Additions are underscored; deletions are ~~struck through~~.)

#### 36901. **CONTRACT SPECIFICATIONS**

Each E-mini S&P Select Sector Stock Index futures contract shall be as specified in the table below.

	<b>E-mini S&amp;P Select Sector Stock Index Futures Contract</b>	<b>Trading Unit (US dollars per Index point per Contract)</b>	<b>Minimum Price Increment or Tick Size (Fraction of Index point (and US dollars per Contract))</b>
1	E-mini Consumer Discretionary Select Sector Futures	100.00	0.10 (10.00)
2	E-mini Consumer Staples Select Sector Futures	100.00	0.10 (10.00)
3	E-mini Energy Select Sector Futures	100.00	0.10 (10.00)
4	E-mini Financial Select Sector Futures	100.00	0.10 (10.00)
5	E-mini Health Care Select Sector Futures	100.00	0.10 (10.00)
6	E-mini Industrial Select Sector Futures	100.00	0.10 (10.00)
7	E-mini Materials Select Sector Futures	100.00	0.10 (10.00)
8	E-mini Technology Select Sector Futures	100.00	0.10 (10.00)
9	E-mini Utilities Select Sector Futures	100.00	0.10 (10.00)
10	E-mini Real Estate Select Sector Futures	250.00	0.05 (12.50)
<u>11</u>	<u>E-mini Communication Services</u> Select Sector Futures	<u>250.00</u>	<u>0.05 (12.50)</u>

#### 36906. **BASIS TRADE AT INDEX CLOSE ("BTIC") TRANSACTIONS**

All BTIC transactions must be executed in accordance with the requirements of Rule 524.B.

##### **36906.A. BTIC Block Trade Requirements**

BTIC block trades must be executed in accordance with the requirements of Rule 526.

For a BTIC block trade executed on a given Trading Day on or before the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the current Trading Day. For a BTIC block trade executed on a given Trading Day after the scheduled close of the underlying primary securities market, the corresponding futures price shall be made by reference to the Index closing value for the next Trading Day.

##### **36906.B. BTIC Price Assignment Procedures**

The futures price of a BTIC transaction shall be determined by the Exchange at 3:45 p.m. (or within 45 minutes after the close of the primary securities market in the case of an early scheduled close of the primary securities market). Such price determination shall be deemed final.

##### **36906.C. BTIC Minimum Price Increment**

The valid basis or price increment applied to the Index closing value to establish the BTIC futures price must be stated in full tick increments of 0.10 index points for all E-mini S&P Select Sector Stock Index

futures except for the E-mini S&P Financial Select Sector Stock Index futures, **[and] E-mini Real Estate Select Sector Stock Index futures, and E-mini Communication Services Select Sector Index futures** where the basis or price increment applied to the index close to establish the BTIC futures price must be stated in a full tick increments of 0.05 index points.

On any Business Day, BTIC transactions in a futures contract are made on the basis of that day's closing value of the corresponding S&P Select Sector Stock Index value. Such Index closing value is reported to two decimal places of precision. Accordingly, any futures contract position bought or sold through a BTIC transaction shall be cleared in minimum price increment of 0.01 Index points.

**Appendix B**

**Position Limit, Position Accountability, and Reportable Level Table  
CME Rulebook Chapter 5**

(Attached under separate cover.)

## Appendix C

### CME Chapter 5 ("Trading Qualifications and Practices")

#### CME Rule 588.H. – ("Globex Non-Reviewable Trading Ranges") Table

(Additions are underscored.)

Instrument Name	Globex Symbol	Outright			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>E-mini Communication Services Select Sector</u> <u>Index Futures</u>	<u>XAZ</u>	<u>2 index point</u>	<u>200</u>	<u>40</u>	<u>50</u>	<u>10</u>
<u>BTIC on E-mini Communication Services Select Sector</u> <u>Index Futures</u>	<u>XZT</u>	<u>.5 index point</u>	<u>50</u>	10	<u>N/A</u>	<u>N/A</u>

## Appendix D

### **CME Chapter 5 ("Trading Qualifications and Practices")**

#### **CME Rule 589. – ("Special Price Fluctuation Limits and Daily Price Limits") Table**

(Additions are underscored.)

<b>Product</b>	<b>Rulebook Chapter</b>	<b>Commodity Code</b>	<b>Primary/ Associated</b>	<b>Associated With</b>	<b>Daily Price Limit</b>
<u>E-mini Communication Services Select Sector Index Futures</u>	<u>369</u>	<u>XAZ</u>	<u>Primary</u>	<u>Primary</u>	<u>Daily Price Limit Table</u>
<u>BTIC on E-mini Communication Services Select Sector Index Futures</u>	<u>369</u>	<u>XZT</u>	<u>Associated</u>	<u>Select Sectors</u>	<u>Daily Price Limit Table</u>