

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

August 29, 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 Personal Consumption Expenditures Forecast Contract”

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 Personal Consumption Expenditures Forecast Contract”. ForecastEx will list a Forecast Contract corresponding to the Personal Consumption Expenditures Price Index (“PCE”) in each monthly release of the Personal Income and Outlays report by the Bureau of Economic Analysis (“BEA”).

The submission includes:

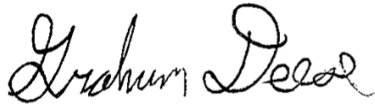
A concise explanation, analysis and background of the Contract;

- 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 year-over-year change in the US Personal Consumption Expenditures Price Index exceed [#.##%] in [Month][Year]?

Product Code: PCEY

Instructions: The Personal Consumption Expenditures Price Index (“PCE”) is published by the Bureau of Economic Analysis (“BEA”), typically on the final Friday of each month at 7:30 AM CT as part of the Personal Income and Outlays release. However, publication date of the data may be changed due to a holiday. A schedule of release dates is available on the website: [here](#). While BEA produced a Revised and Final Reading for PCE in the months following the Advance Reading, ForecastEx will only use the Advance Reading as the underlying of this product.

Underlying: The Underlying can be accessed: [here](#). The reader should select “Current Release” in the table at the top of the page. From the “News Release” page, select “Related Material” and then “Full Release & Tables”. Once the Full Release is accessed, scroll down to Table 6, titled “Real Disposable Personal Income and Real Personal Consumption Expenditures: Percent Change from Month One Year Ago”. Year over year PCE growth is displayed on row 2, “Personal consumption expenditures” with the most recent Advance Reading being the 2nd to last column on the right. 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: BEA

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

Listing Cycle: ForecastEx will list eight expirations of PCE 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 PCE data releases). Finally, ForecastEx will list the two monthly contracts corresponding with the next June and December releases that follow the third quarterly release.

Thresholds: 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 Forecast Contract.

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

Payout Criteria: The Settlement Value of each PCE 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: 7:30 AM CT when BEA publishes the PCE.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that BEA releases PCE 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 PCE is delayed by BEA, for instance in a government shutdown, ForecastEx will delay the Resolution Time of the Contract until such time as the BEA releases the PCE 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. **Contracts with no currently scheduled release date:** The BEA generally publishes the release dates for PCE data up through the end of the current calendar year. ForecastEx will list multiple PCE 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 BEA. Once BEA 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 PCE Contracts will occur after Resolution Time at 13:00 PM CT that same Business Day in accordance with ForecastEx Rule 603(b)(3).