

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

September 5, 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 Core CPI 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 Core CPI Forecast Contract”. ForecastEx will list a Forecast Contract corresponding to each monthly release of the Core CPI by the Bureau of Labor Statistics (“BLS”).

The submission includes:

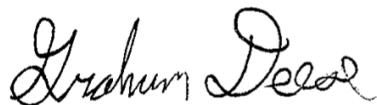
A concise explanation, analysis and background of the Contract;

- 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 year-over-year change in US Core CPI exceed [#.#%] in [month][year]?

Product Code: CPIC

Instructions: The Monthly Consumer Price Index Report is published by the Bureau of Labor Statistics (“BLS”) every month for the prior calendar month during the second week of the month at 7:30 AM CT on the scheduled day. A schedule of release dates is available on the BLS website: [here](#).

Underlying: The Underlying is the Core CPI, which is also known as the Consumer Price Index for All Urban Consumers: All Items Less Food & Energy. The Underlying 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 second sentence of the fourth paragraph of the monthly report under the heading “CONSUMER PRICE INDEX- [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: Bureau of Labor Statistics

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

Listing Cycle: ForecastEx will list eight expirations of Core CPI 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 Core CPI 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 day preceding Resolution Time.

Payout Criteria: The Settlement Value of each Core CPI 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: 07:30 AM CT when BLS publishes the Core CPI.

Changes in Resolution Time: The Resolution Time of a Contract is dependent on the time that BLS releases Core CPI 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 Core CPI is delayed by BLS, for instance in a government shutdown, ForecastEx will delay the Resolution Time of the Contract until such time as the BLS releases the Core CPI 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 BLS generally publishes the release dates for Core CPI data up through the end of the current calendar year. ForecastEx will list multiple Core CPI 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 Core CPI Contracts will occur after Resolution Time. Because Resolution Time is before 12:00 PM CT, Settlement for those Core CPI contracts will take place at 13:00 PM CT that same Business Day.