

**SUBMISSION COVER SHEET**

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

**Registered Entity Identifier Code (optional):** 24-388 (1 of 2)

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

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

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

**Filing Date (mm/dd/yy):** 10/08/24    **Filing Description:** Initial Listing of the Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures Contracts

**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

**Official Product Name:** See filing.

**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:**



October 8, 2024

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of the Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures Contracts.  
CME Submission No. 24-388 (1 of 2)**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) hereby certifies to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures contracts (the “Contracts”), for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective on Sunday, October 27, 2024, for trade date Monday, October 28, 2024.

<b>Contract Title</b>	<b>Rulebook Chapter</b>	<b>CME Globex and CME ClearPort Code</b>
Micro Nikkei Stock Average Futures	352C	MNK
Micro Yen Denominated Nikkei Stock Average Futures	352D	MNI

## Section 1 - Contract Specifications

Contract Title	Micro Nikkei Stock Average Futures	Micro Yen Denominated Nikkei Stock Average Futures
Rulebook Chapter	CME 352C	CME 352D
Contract Size	USD 0.5	JPY 50
Underlying Price Index	Nikkei 225 Index	
Price Quotation	U.S. dollars and cents per index point	JPY per index point
CME Globex and CME ClearPort Codes	MNK	MNI
Trading and Clearing Hours	<b>CME Globex Pre-Open:</b> Sunday 5:00 p.m. - 6:00 p.m. Eastern Time ("ET") Monday – Thursday 5:45 p.m. - 6:00 p.m. ET <b>CME Globex:</b> Sunday 6:00 p.m. – Friday 5:00 p.m. ET with a daily maintenance period from 5:00 p.m. - 6:00 p.m. ET <b>CME ClearPort:</b> Sunday 6:00 p.m. - Friday 6:45 p.m. ET with no reporting Monday – Thursday 6:45 p.m. – 7:00 p.m. ET	
Minimum Price Increment / Financial Equivalent	5 index points = USD 2.50	5 index points = JPY 250
Listing Schedule	Quarterly contracts (Mar, Jun, Sep, Dec) listed for nearest 2 consecutive quarters	
Initial Listing	Dec 2024, Mar 2025	
Termination of Trading	Trading terminates at 5:00 p.m. ET on the Thursday prior to the second Friday of the contract month. If LTD is holiday in Japan, LTD moves to preceding business day	
Final Settlement Increment	0.01	0.01
Settlement Method	Financial	
Block Eligibility	No	
Position Limits and Reportable Levels	All Month Position Limit of 40,000 contracts aggregated with Nikkei Stock Average Futures, Yen Denominated Nikkei Stock Average Futures, E-mini Yen Denominated Nikkei Stock Average Futures, Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures contracts.  Position Reporting Level of 25 contracts	
CME Globex Matching Algorithm	F-FIFO 100%	

## Section 2: Index Methodology, Administration and Governance

### Index Methodology

The Nikkei Stock Average ("Nikkei 225") is comprised of the 225 highly liquid stocks of the Tokyo Stock Exchange Prime Market and used around the globe as the most popular benchmark of the Japanese stock market. It is an adjusted price-weighted index, operating in Japanese Yen,

A constituent must be a domestic old share listed in the Tokyo Stock Exchange Prime Market and must be an ordinary share. Daily calculation of the Nikkei 225 started on September 7, 1950. It was retroactively calculated back to May 16, 1949, which is the day the Tokyo Stock Exchange reopened for the first time after the Second World War. The index has been calculated and published by Nikkei since 1970, succeeding it from the Tokyo Stock Exchange. During the trading hours of the Tokyo Stock Exchange, the index is calculated every 5 seconds.

#### Calculation of Nikkei 225

The Nikkei 225 is calculated as a weighted price average where the sum of the constituent stock prices adjusted by the price adjustment factor is divided by the divisor.

Adjusted price of constituent A = price of A x Price Adjustment Factor of A (\*)

Nikkei 225 = Sum of Adjusted price of all the constituents / Divisor

(\*) For a constituent to which a capping ratio is applied, price adjustment factor will be replaced by the “capped price adjustment factor”.

#### Price Adjustment Factor

The Price Adjustment Factor (“PAF”) is a number which adjusts price of the constituents. Each constituent stock price is adjusted by the PAF, and the Nikkei 225 is calculated by dividing the summation of the adjusted prices by the divisor.

The basic rule is to calculate the index with 225 stocks. However, in some cases as exemplified below, it may be calculated with less than 225 stocks. The divisor is adjusted every time the constituents are changed to maintain continuity. An example is when a constituent is delisted due to corporate restructuring and the newly formed parent company is listed for in a short period, and such parent company is selected as a new constituent.

#### Selection of the prices

Prices used for the calculation are selected in the following order of priority.

1. Special Quote or sequential trade quote
2. Traded price
3. Base price

The closing index is usually calculated by the last traded price of each constituent. However, if a constituent stock closes trading with a special quote, such special quote is used to calculate the closing index even if it had a traded price intraday. The special quote is declared by the Tokyo Stock Exchange. Since the Nikkei 225 is composed of liquid stocks, prices by the above definition 1 or 2 tend to be used intraday, and usually those by the definition 2, and occasionally those by the definition 1 are used for the closing index.

When there are no prices by the definition 1 or 2 during a day, “3. Base price” is used. This is obtained based on the priority order of ex-rights theoretical price, the last special quote price or sequential trade quote price, and the latest traded price up to the preceding day.

In most cases, the price used for the calculation of the closing index on the preceding day becomes the Base price. However, an exception case arises where there are no prices and quotes on a day when a stock goes ex-right (e.g., a stock split). Since the price on the day of ex-right is significantly changed from the price on the preceding day for non-market reasons, the “ex-rights theoretical price” is used for the calculation.

The theoretical price is calculated based on the price (i.e. special quote or sequential trade quote or closing price) used for the calculation on the preceding day. For example, if the closing price on the preceding day was 1000 yen for a constituent and it goes for 1 to 1.1 split today, the theoretical price for today is 909.1 yen (=1000 / 1.1) and this is the theoretical price for this constituent.

Also note that ex-dividend is not treated as an ex-right for the calculation of the Nikkei 225.<sup>1</sup>

#### Index Rebalancing

The 225 constituent stocks are reviewed periodically with reference to liquidity in the market and sector balance. Calculating the index with highly liquid stocks aims to fulfill two objectives: maintaining its long-term continuity and reflecting changes in industry structure.

Nikkei 225 components are rebalanced based on the following two rules. One is “Periodic Review” conducted twice a year by Nikkei, and the other is “Extraordinary Replacement” where a vacancy created by delisting of a constituent is filled by a new constituent.<sup>1</sup>

Constituents are reviewed twice a year with a base date at the end of January and July. Deletions and additions are announced before the effective date with some notification period. The purpose of this review

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<sup>1</sup> Source: Nikkei Stock Average Index Guidebook (September 29, 2022)

[https://indexes.nikkei.co.jp/nkave/archives/file/nikkei\\_stock\\_average\\_guidebook\\_en.pdf](https://indexes.nikkei.co.jp/nkave/archives/file/nikkei_stock_average_guidebook_en.pdf)

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is to maintain the market representativeness of the constituents. Stocks with high market liquidity are added and those with low liquidity are deleted. At the same time, to take changes in the industry structure into account, the balance of the sectors, in terms of the number of constituents, is considered. <sup>1</sup>

The selection is conducted based on the two factors, “liquidity” and “sector balance” (Nikkei introduces 6 sectors categories consolidated from the 36 Nikkei industrial classifications. Currently, they are “Technology”, “Financials”, “Consumer Goods”, “Materials”, “Capital Goods/Others”, and “Transportation and Utilities”.)

Results of the Periodic Review are applied on the first trading day of April and October in principle. However, when there are delistings or new listings of the succeeding companies under the corporate restructuring and the constituents must be changed close to this date, changes to the index may be made in accordance with the schedule of delisting’s / new listings. The maximum number of the constituents changed is 3. However, constituent change due to corporate reorganization near the time of periodic review is not included in the limit of 3.

### Index Administration and Governance

The Nikkei Stock Average is calculated and provided in accordance with the index management policies of Nikkei Inc, under a set of rules open to the public and characterized as highly transparent. They are based on the stock prices from the regulated exchanges and calculated automatically by computer programs so that the indexes are not influenced by discretion or judgment.

The Nikkei Indexes are administered by the Index Business Office, an independent division in Nikkei, in accordance with the policies of operations. <sup>2</sup> Nikkei also complies with the “Principles for Financial Benchmarks” of the International Organization of Securities Commissions (“IOSCO”) and make its report of compliance audited by a third party available on the Governance page of this site. Nikkei is a recognized third country benchmark administrator under EU Benchmark Regulation.

As of August 30, 2024, the Nikkei Stock Average index comprises 225 constituent firms, with an aggregate market capitalization of roughly \$4.79 trillion.<sup>3</sup> The following statistics describe the distribution of index constituents in terms of their individual market capitalizations (in \$ Billion)<sup>4</sup>:

Largest	298.17
Smallest	0.74
Average	21.28
Median	9.54

These figures are derived from the Nikkei Index committee and have been converted to USD values using a USD/JPY Midpoint rate of 146.18 for August 30,2024. The conversion calculations are as follows:

#### Exhibit 1 - Market Capitalization of the Nikkei Stock Average index

Constituent Market Cap	Million Yen (From Nikkei)	Yen	JPY/USD Rate	USD	USD (Billions)
Total	¥699,790,996	¥699,790,996,000,000	146.18	\$4,787,187,002,325	\$4,787.19
Max	¥43,586,268	¥43,586,268,000,000	146.18	\$298,168,477,219	\$298.17
Min	¥107,536	¥107,536,000,000	146.18	\$735,640,990	\$0.74
Average	¥3,110,182	¥3,110,182,000,000	146.18	\$21,276,385,278	\$21.28
Median	¥1,395,102	¥1,395,102,000,000	146.18	\$9,543,726,912	\$9.54

Source: Refinitiv Eikon

<sup>2</sup>[https://indexes.nikkei.co.jp/nkave/archives/file/Nikkei\\_iosco\\_compliance\\_2023\\_en.pdf](https://indexes.nikkei.co.jp/nkave/archives/file/Nikkei_iosco_compliance_2023_en.pdf)

<sup>3</sup><https://indexes.nikkei.co.jp/en/nkave/factsheet?idx=nk225>

<sup>4</sup> FX Rate Source: Refinitiv Eikon

The largest single constituent signifies 11.84% of index weight.  
The largest 10 constituents represent 40.85% of index weight.

## Section 3: Deliverable Supply Analysis

### 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 Commodity Futures Trading Commission (“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(35) 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).

The **Nikkei Stock Average Index** fails to meet any of the criteria for consideration as a narrow-based index. *The Exchange has determined, therefore, that Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures shall be listed for trading under the sole jurisdiction of the CFTC.*

In respect of criterion (i), as of August 30, 2024, the number of Index components was 225 for the Index. The number of Index constituents exceeds the 9-security minimum threshold.

In respect of criteria (ii), (iii), and (iv), Exhibit 2 displays summary statistics of daily data for the interval February 29, 2024 to August 29, 2024.

#### Exhibit 2 – CEA Section 1a (35) Narrow-Based Index Test for the Nikkei Stock Average Index

Quantiles of empirical distributions of daily measures of index characteristics, February 29, 2024, to August 29, 2024.

	<i>Criterion (ii)</i> <i>Index weight of largest index component</i> <i>(pct)</i>	<i>Criterion (iii)</i> <i>Aggregate index weight of largest 5 index components</i> <i>(pct)</i>	<i>Criterion (iv)</i> <i>Trading volume of smallest index components aggregating to 25 pct of index weight</i> <i>(\$ billions / day)</i>
	(%)	(%)	(\$ billions / day)
<i>Maximum</i>	11.94%	33.11%	0.8700
<i>75 Pctl</i>	11.13%	31.44%	0.8546
<i>Median</i>	10.51%	30.30%	0.8533

<i>25 Pctl</i>	10.29%	29.83%	0.8496
<i>Minimum</i>	10.03%	29.16%	0.8470

Source: Refinitiv Eikon

For criterion (ii), the share of Index weight occupied by the largest component stock, test results appear in the left-hand panel of Exhibit 2. The entire distribution of daily outcomes resides well below the 30 percent threshold that would signify a narrow-based index.

Similar results were obtained for criterion (iii), shown in the middle panel of Exhibit 2. The distribution of aggregate weight of the Index's largest five component stocks also lie below the 60 percent threshold that would characterize a narrow-based index.

Summary statistics for distributions of trading volume, shown in Exhibit 2's right-hand panel, demonstrate that the Index is not narrow-based in the sense of criterion (iv). The test procedure is to rank the Index's component stocks from smallest market capitalization to largest, then to identify Index components with smallest market capitalizations in sufficient numbers 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 this Index, the typical pace of such trading volume consistently exceeds \$800 million per day.<sup>5</sup>

**Exhibit 3 - Daily Total Volume of Stocks in Nikkei Stock Average Index, MSCI Japan Index, and TOPIX Index.** Data from July 31, 2024, to August 30, 2024.

**Nikkei Stock Average Index (Yen)**

Date	Open	High	Low	Close	Volume
8/30/2024	38,388.04	38,669.79	38,316.87	38,647.75	1,365,792,600
8/29/2024	38,119.95	38,401.15	37,970.20	38,362.53	1,064,633,300
8/28/2024	38,221.38	38,399.91	38,141.49	38,371.76	886,716,900
8/27/2024	38,066.31	38,365.64	37,911.32	38,288.62	842,828,900
8/26/2024	38,156.41	38,204.81	37,825.31	38,110.22	917,042,200
8/23/2024	38,278.18	38,424.27	38,053.47	38,364.27	897,676,100
8/22/2024	38,033.78	38,408.19	37,883.86	38,211.01	927,610,500
8/21/2024	37,653.34	38,026.02	37,605.83	37,951.80	947,816,500
8/20/2024	37,847.85	38,236.39	37,738.30	38,062.92	1,106,142,000
8/19/2024	37,863.76	38,125.27	37,318.04	37,388.62	1,077,759,300
8/16/2024	37,304.93	38,143.55	37,304.93	38,062.67	1,294,568,800
8/15/2024	36,381.40	36,885.16	36,381.40	36,726.64	1,196,943,400
8/14/2024	36,535.60	36,683.89	36,074.71	36,442.43	1,355,812,100
8/13/2024	35,490.58	36,232.51	35,476.79	36,232.51	1,407,375,300
8/9/2024	35,272.34	35,671.31	34,445.57	35,025.00	1,768,683,100
8/8/2024	34,645.79	35,379.65	34,207.16	34,831.15	1,653,267,900
8/7/2024	34,122.35	35,849.77	33,739.46	35,089.62	2,427,982,200
8/6/2024	32,077.33	34,911.80	32,077.33	34,675.46	2,512,352,700
8/5/2024	35,249.36	35,301.18	31,156.12	31,458.42	2,855,705,500
8/2/2024	37,444.17	37,471.52	35,880.15	35,909.70	2,043,090,100

<sup>5</sup> Source: Refinitiv Eikon

8/1/2024	38,781.56	38,781.56	37,737.88	38,126.33	1,788,397,300
7/31/2024	38,140.77	39,188.37	37,954.38	39,101.82	1,464,213,500
<b>ADV</b>					<b>1,445,564,100</b>

Source: Bloomberg Professional

### MSCI Japan Index (Yen)

Date	Open	High	Low	Close	Volume
8/30/2024	1,663.66	1,675.03	1,662.75	1,673.97	1,339,838,206
8/29/2024	1,656.91	1,662.19	1,652.13	1,661.45	971,695,273
8/28/2024	1,647.30	1,660.33	1,646.84	1,660.33	809,798,708
8/27/2024	1,640.07	1,653.53	1,634.04	1,650.71	762,474,564
8/26/2024	1,648.03	1,648.03	1,630.42	1,639.98	820,336,461
8/23/2024	1,653.95	1,659.28	1,643.07	1,657.02	801,912,894
8/22/2024	1,643.34	1,652.35	1,639.12	1,648.52	831,846,772
8/21/2024	1,633.76	1,646.78	1,630.69	1,645.00	866,971,181
8/20/2024	1,642.79	1,653.49	1,638.34	1,647.27	1,013,446,003
8/19/2024	1,649.07	1,656.38	1,627.70	1,630.68	966,150,637
8/16/2024	1,611.89	1,656.53	1,611.85	1,655.34	1,169,870,877
8/15/2024	1,594.36	1,615.17	1,594.15	1,604.18	1,083,715,944
8/14/2024	1,583.59	1,603.63	1,579.76	1,593.10	1,245,783,655
8/13/2024	1,535.34	1,575.65	1,535.34	1,575.65	1,303,868,103
8/9/2024	1,524.52	1,544.58	1,503.72	1,527.92	1,630,455,159
8/8/2024	1,526.62	1,543.57	1,502.86	1,515.34	1,522,260,497
8/7/2024	1,493.72	1,567.91	1,474.11	1,534.56	2,233,042,784
8/6/2024	1,368.41	1,516.71	1,368.27	1,499.03	2,357,118,957
8/5/2024	1,560.17	1,560.70	1,354.66	1,367.45	2,667,373,604
8/2/2024	1,662.86	1,663.82	1,561.12	1,562.37	1,900,595,580
8/1/2024	1,709.26	1,709.26	1,653.35	1,666.13	1,641,599,488
7/31/2024	1,690.56	1,725.09	1,675.83	1,721.42	1,394,917,821
<b>ADV</b>					<b>1,333,412,417</b>

Source: Bloomberg Professional

### TOPIX Index (Yen)

Date	Open	High	Low	Close	Volume
8/30/2024	2,695.80	2,714.98	2,695.63	2,712.63	2,148,421,900
8/29/2024	2,683.62	2,693.75	2,677.45	2,693.02	1,752,679,300
8/28/2024	2,675.22	2,692.12	2,671.08	2,692.12	1,525,518,500
8/27/2024	2,663.04	2,684.82	2,654.05	2,680.80	1,499,462,500
8/26/2024	2,671.00	2,673.27	2,646.74	2,661.41	1,486,004,900
8/23/2024	2,678.29	2,688.08	2,663.26	2,684.72	1,481,448,500
8/22/2024	2,662.41	2,676.27	2,656.42	2,671.40	1,500,594,000
8/21/2024	2,641.84	2,668.09	2,641.84	2,664.86	1,555,431,800



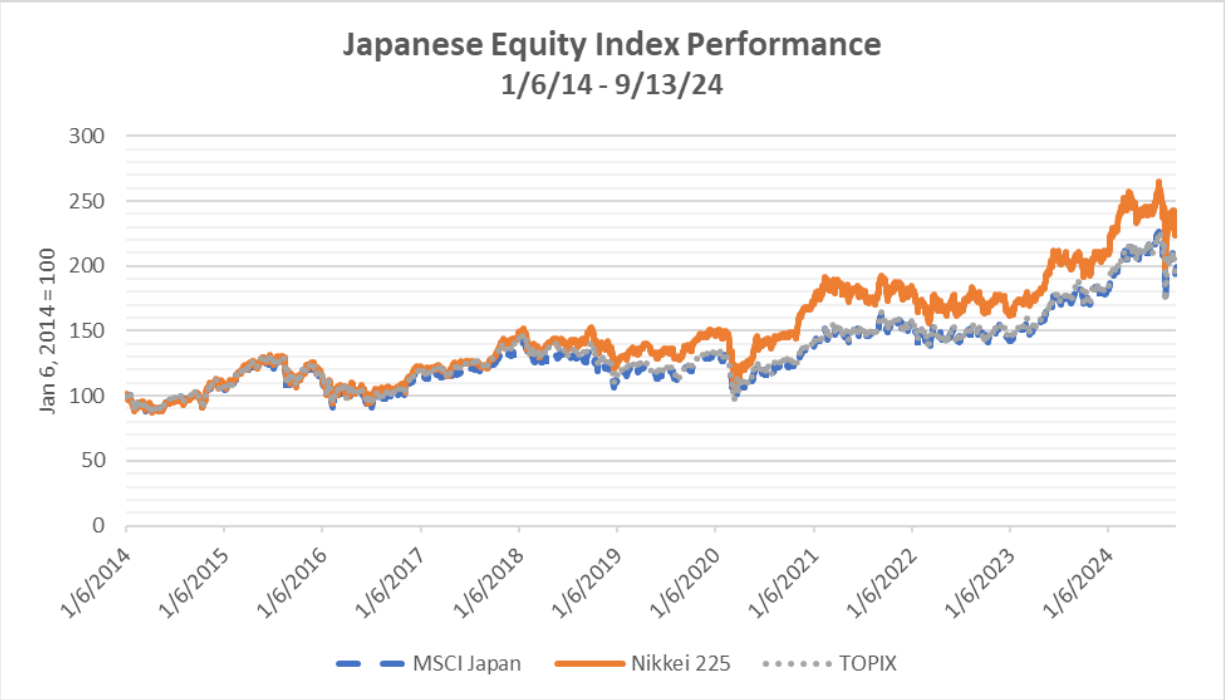
8/20/2024	2,668.09	2,679.15	2,654.93	2,670.54	1,906,398,400
8/19/2024	2,666.27	2,680.86	2,636.97	2,641.14	1,899,050,100
8/16/2024	2,643.42	2,680.09	2,642.37	2,678.60	2,051,722,700
8/15/2024	2,583.51	2,618.03	2,583.51	2,600.75	1,952,988,400
8/14/2024	2,571.98	2,598.51	2,561.42	2,581.90	2,163,359,800
8/13/2024	2,508.78	2,553.55	2,508.24	2,553.55	2,287,378,500
8/9/2024	2,497.29	2,511.69	2,444.83	2,483.30	2,706,359,300
8/8/2024	2,460.09	2,506.96	2,444.36	2,461.70	2,595,662,000
8/7/2024	2,401.89	2,542.25	2,392.13	2,489.21	3,482,000,900
8/6/2024	2,271.50	2,470.24	2,270.93	2,434.21	3,652,526,800
8/5/2024	2,488.25	2,489.22	2,206.73	2,227.15	4,326,680,200
8/2/2024	2,653.94	2,656.63	2,536.28	2,537.60	3,167,245,800
8/1/2024	2,767.44	2,768.22	2,684.91	2,703.69	2,773,892,500
7/31/2024	2,733.28	2,799.48	2,720.64	2,794.26	2,326,259,600
<b>ADV</b>					<b>2,283,685,745</b>

Source: Bloomberg Professional

The TOPIX Index and MSCI Japan Index serve as compatible indices for the Nikkei Stock Average. Correlations between both comparable indices and the Nikkei Stock Average are strong positive correlations. Below is each Index's correlation to the Nikkei Stock Average from 2014 to 13 September 2024 as well as YTD.

#### Exhibit 4 - Correlation with Nikkei 225 Index

Comparable Index	Correlation Since Jan 2014	Correlation YTD
MSCI Japan	0.984032072	0.950079881
TOPIX	0.98179482	0.941467793



## Section 4 – Compliance with Core Principles

The Exchange has reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Act and has identified that the new product terms and conditions certified herein may bear upon the following Core Principles:

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

Trading in this Contracts will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.

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

The Contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash and futures market, which provides diverse participation and sufficient spot transactions.

The underlying reference Indexes is judged to be sufficiently broad in definition and scope to deter attempted cornering, manipulation, crowding, or exertion of undue influence upon final settlements of expiring Contracts.

As of August 30, 2024, the 225 component stocks of the Nikkei Stock Average Index had a market capitalization of \$4.79 trillion.

For each of the Contracts certified herein, moreover, the final settlement price for an expiring shall be the special opening quotation of the Nikkei Stock Average which is used to settle the Nikkei Stock Average Futures at the Osaka Securities Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

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

Trading in the Contracts shall be subject to CME Rulebook Chapter 4, which includes prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. Trading activity in the Contracts certified herein shall be subject to monitoring and surveillance by CME Group’s Market Regulation Department.

As with any new product that is listed on a CME Group designated contract market and that references a broad-based index of equity share prices, moreover, trading in the Contracts shall be subject to price limits that are harmonized with limit-up-limit-down mechanisms.

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

The Nikkei Stock Average Futures, Yen Denominated Nikkei Stock Average Futures, E-mini Yen Denominated Nikkei Stock Average Futures and Options on Yen Denominated Nikkei Stock Average Futures contracts, along with the Micro Nikkei Stock Average Futures and Micro Yen Denominated Nikkei Stock Average Futures will be subject to an All Month limit of 40,000 contracts in aggregate.

The Contracts shall be subject to a Position Reporting Level of 25 contracts.

Accordingly, as of market close on September 3, 2024, a hypothetical 40,000-lot Contract position in the U.S Dollar denominated Nikkei Stock Average Index Futures (37,595.0 Index points) would have signified

notional Index exposure around ¥751.9 Billion<sup>6</sup> [equal to (37,595.0 Index points) x (¥500 Yen) x (40,000 contracts)]. Converting this to USD based on the rate as of September 3 (USD/Yen 145.3530), gives a market capitalization of \$5.17 Bn, representing 0.11% of the 4.79 Tn USD market capitalization of the Nikkei Stock Average Index.

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

The Exchange shall disseminate a Special Executive Report (“SER”) that sets forth information in regard to specifications, terms, and conditions of the Contracts. The SER will also be published on the Exchange’s website.

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

The Exchange shall publish trading volumes, open interest levels, and price information daily of the Contracts on the CME Group website and through quote vendors.

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

The Contracts will be listed for trading on CME Globex for submission for clearing via CME ClearPort. CME Globex provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.

#### ***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***

The Contracts 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***

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

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

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

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

Disputes in respect of the Contracts shall be subject to the arbitration provisions set forth in Chapter 6 of both the CME Rulebook, 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.

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<sup>6</sup> FX Rate Source: Refinitiv Eikon

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Appendix A provides CME Rulebook Chapters 352C and 352D. Appendix B provides the Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the CME Rulebook. Appendix C provides CME Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table. Appendix D provides CME Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table. Appendix E provides the CME Rule 855. (“Offsetting Positions for Different-Sized Contracts”) Table. Appendix F provides the Exchange Fees.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange certifies that the Contracts 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-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachments:	Appendix A	CME Rulebook Chapters 352C and 352D
	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 E	CME Rule 855. (“Offsetting Positions for Different-Sized Contracts”) Table
	Appendix F	Exchange Fees

## Appendix A

### CME Rulebook

#### Chapter 352C

#### Micro Nikkei Stock Average Futures

##### **352C00. SCOPE OF CHAPTER**

This chapter is limited in application to Micro Nikkei Stock Average futures. In addition to this chapter, Micro Nikkei Stock Average futures shall be subject to the general rules and regulations of the Exchange as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

##### **352C01. CONTRACT SPECIFICATIONS**

Each futures contract shall be valued at \$0.5 times the Nikkei Stock Average. The Nikkei Stock Average is a broad based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

##### **352C02. TRADING SPECIFICATIONS**

###### **352C02.A. Trading Schedule**

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by Exchange.

###### **352C02.B. Trading Unit**

The unit of trading shall be \$0.5 times the Nikkei Stock Average.

###### **352C02.C. Price Increments**

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 5 points, equivalent to \$2.50 per contract.

###### **352C02.D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

###### **352C02.E. [Reserved]**

###### **352C02.F. [Reserved]**

###### **352C02.G. Termination of Trading**

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

###### **352C02.H. [Reserved]**

###### **352C02.I. Price Limits and Trading Halts**

There shall be no trading in Micro Nikkei Stock Average Futures when trading is halted in the Primary Futures Contract Month in Nikkei Stock Average Futures pursuant to Rule 35202.I. There shall be no Daily Price Limits in a contract on its last day of trading.

##### **352C03. SETTLEMENT PROCEDURES**

Final settlement of the Micro Nikkei Stock Average futures contract shall be by cash settlement.

###### **352C03.A. Final Settlement Price**

The final settlement price shall be the special opening quotation of the Nikkei Stock Average which is used to settle the Nikkei Stock Average Futures at the Osaka Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

In the event the second Friday of such delivery month is not a Tokyo Stock Exchange business day, such special opening quotation of the Nikkei Stock Average and the corresponding Final Settlement Price shall be determined on the Tokyo Stock Exchange business day immediately preceding the second Friday of such delivery month.

**352C03.B. Final Settlement**

Clearing members holding open positions in a Micro Nikkei Stock Average futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

**352C04. [RESERVED]**

**352C05. [RESERVED]**

**352C06. [RESERVED]**

(End Chapter 352C)



## Chapter 352D

### Micro Yen Denominated Nikkei Stock Average Futures

#### 352D00. SCOPE OF CHAPTER

This chapter is limited in application to Micro Yen Denominated Nikkei Stock Average futures. In addition to this chapter, Micro Yen Denominated Nikkei Stock Average futures shall be subject to the general rules and regulations of the Exchange as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

#### 352D01. CONTRACT SPECIFICATIONS

Each futures contract shall be valued at ¥50 times the Nikkei Stock Average. The Nikkei Stock Average is a broad based, price-weighted average of 225 larger, actively traded Japanese stocks that are listed on the Tokyo Stock Exchange.

#### 352D02. TRADING SPECIFICATIONS

##### 352D02.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours and for delivery in such months as may be determined by the Exchange.

##### 352D02.B. Trading Unit

The unit of trading shall be ¥50 times the Nikkei Stock Average.

##### 352D02.C. Price Increments

Bids and offers shall be quoted in terms of the Nikkei Stock Average. The minimum fluctuation of the futures contract shall be 5 points, equivalent to ¥250 per contract.

##### 352D02.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### 352D02.E. [Reserved]

##### 352D02.F. [Reserved]

##### 352D02.G. Termination of Trading

Futures trading shall terminate at the close of trading on the Business Day immediately preceding the day of determination of the Final Settlement Price.

##### 352D02.H. [Reserved]

##### 352D02.I. Price Limits and Trading Halts

There shall be no trading in Micro Yen Denominated Nikkei Stock Average Futures when trading is halted in the Primary Futures Contract Month in Yen Denominated Nikkei Stock Average Futures pursuant to Rule 352B02.I. There shall be no Daily Price Limits in a contract on its last day of trading.

#### 352D03. SETTLEMENT PROCEDURES

Final settlement of the Micro Yen Denominated Nikkei Stock Average futures contract shall be by cash settlement.

##### 352D03.A. Final Settlement Price

The final settlement price shall be the special opening quotation of the Nikkei Stock Average which is used to settle the Nikkei Stock Average Futures at the Osaka Exchange, rounded to the nearest 1/100th of an index point. This value will usually be based on the opening of the second Friday of the contract month.

In the event the second Friday of such delivery month is not a Tokyo Stock Exchange business day, such special opening quotation of the Nikkei Stock Average and the corresponding Final Settlement Price shall be determined on the Tokyo Stock Exchange business day immediately preceding the second Friday of such delivery month.

**352D03.B. Final Settlement**

Clearing members holding open positions in a Micro Yen Denominated Nikkei Stock Average futures contract at the time of termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

**352D04. [RESERVED]**

**352D05. [RESERVED]**

**352D06 [RESERVED]**

(End Chapter 352D)

**Appendix B**

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

**Position Limit, Position Accountability, and Reportable Level Table**

(attached under separate cover)

**Appendix C**

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

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

(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<a href="#">Micro Nikkei Stock Average Futures</a>	<a href="#">MNK</a>	<u>100 index points</u>	<u>100</u>	<u>20</u>	<u>25</u>	<u>5</u>
<a href="#">Micro Yen Denominated Nikkei Stock Average Futures</a>	<a href="#">MNI</a>	<u>100 index points</u>	<u>100</u>	<u>20</u>	<u>25</u>	<u>5</u>

**Appendix D**

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

**Rule 589. – Special Price Fluctuation Limits and Daily Price Limits Table**

(additions underscored)

Product	Rulebook Chapter	Commodity Code	PRIMARY/ ASSOCIATED	ASSOCIATED WITH	Dynamically Calculated Variant	Daily Price Limit
<a href="#">Micro Nikkei Stock Average Futures</a>	<u>352C</u>	<a href="#">MNK</a>	<a href="#">Associated</a>	<a href="#">NIY</a>		<a href="#">Daily Price Limit Table</a>
<a href="#">Micro Yen Denominated Nikkei Stock Average Futures</a>	<u>352D</u>	<a href="#">MNI</a>	<a href="#">Associated</a>	<a href="#">NIY</a>		<a href="#">Daily Price Limit Table</a>

## Exhibit E

### CME Rulebook Chapter 8

#### ("Clearing House and Performance Bonds")

#### Rule 855. ("Offsetting Positions for Different-Sized Contracts") Table

Clearing/ Globex Code	Product Name	Rulebook Chapter	Offset Ratio	Offset to Clearing/ Globex Code	Offset to Product Name	Rulebook Chapter	Cash/ Deliverable	Futures/ Option
MNK/MNK	Micro Nikkei Stock Average Futures	352C	10	NK/NKD	Nikkei Stock Average Futures	352	C	F
MNI/MNI	Micro Yen Denominated Nikkei Stock Average Futures	352D	10	N1/NIY	Yen Denominated Nikkei Stock Average Futures	352B	C	F
NK/NKD	Nikkei Stock Average Futures	352	0.1	MNK/MNK	Micro Nikkei Stock Average Futures	352C	C	F
N1/NIY	Yen Denominated Nikkei Stock Average Futures	352B	0.1	MNI/MNI	Micro Yen Denominated Nikkei Stock Average Futures	352D	C	F

## Appendix F

### Exchange Fees

Membership Type	Venue/Transaction Type	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	\$0.12
	EFP	\$0.30
	EFR	\$0.30
	Block	\$0.30
	Delivery	\$0.02
	Exe Asn Future From	\$0.02
Rule 106.D Lessees Rule 106.F Employees	CME Globex	\$0.15
	EFP	\$0.35
	EFR	\$0.35
	Block	\$0.35
	Delivery	\$0.03
	Exe Asn Future From	\$0.03
Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.16
Rule 106.H and 106.N Firms	CME Globex	\$0.20
	EFP	\$0.40
	EFR	\$0.40
	Block	\$0.40
	Delivery	\$0.04
	Exe Asn Future From	\$0.04
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.43
Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$0.43
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$0.30
Non-Members	CME Globex	\$0.43
	EFP	\$0.60
	EFR	\$0.60
	Block	\$0.60
	Delivery	\$0.07
	Exe Asn Future From	\$0.07

Processing Fees	Fee
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40