



AMERIBOR[®] Futures Product Launch

Reference ID: C2019062700

Overview

Cboe Futures Exchange, LLC (“CFE”) plans to launch trading in the following AMERIBOR (American Interbank Offered Rate) futures.

Description	Symbol	Launch Date	Settlement Type
Cboe AMERIBOR 7-Day Futures	AMW	Thursday, August 15, 2019 for business date Friday, August 16, 2019	Cash settled
Cboe AMERIBOR 3-Month Futures	AMB3	Thursday, August 15, 2019 for business date Friday, August 16, 2019	Cash settled
Cboe AMERIBOR 14-Day Futures	AMI	TBD	Cash settled
Cboe AMERIBOR 1-Month Futures	AMB1	TBD	Cash settled

Trading will commence for AMB3 and AMW futures on Thursday, August 15, 2019 at 5:00 p.m. CT for business date **Friday, August 16, 2019**. The queuing periods for AMB3 and AMW futures will mirror those of Cboe Volatility Index (“VX”) futures. Accordingly, the pre-opening queuing period for AMB3 and AMW futures on Thursday, August 15, 2019 will commence at 4:45 p.m. CT.

AMB3 futures are cash-settled futures designed to reflect the market expectations of compounded daily annualized AMERIBOR interest during the approximate three-month time period immediately prior to the final settlement of each AMB3 futures contract.

AMW futures are cash-settled futures designed to reflect the market expectations of average daily simple annualized AMERIBOR interest during a 7-day period that corresponds to either the first half or second half of a 14-day Federal Reserve System reserve maintenance period (“Maintenance Period”).

CFE plans to launch two additional AMERIBOR futures products, Cboe One-Month AMERIBOR (“AMB1”) futures and Cboe 14-Day AMERIBOR (“AMI”) futures, at a later date or dates yet to be determined. The launch date(s) for AMB1 and AMI futures will be communicated in a future notice.

Product Specifications

Product Schedules

For each AMB3 futures contract, the contract month is the month in which the contract measurement quarter begins. The contract measurement quarter is the time period from (and including) the third Wednesday of the contract month to (and including) the Tuesday prior to the third Wednesday of the

settlement month. The settlement month is the third month following the month in which the contract measurement quarter begins and is the month that includes the final settlement date of the contract. The final settlement date is the third Wednesday of the settlement month. The last day of trading for an AMB3 futures contract is the CFE business day that precedes the final settlement date.

For each AMW futures contract, the futures symbol denotes the month and week of the last day of the contract measurement period. The contract measurement period for an AMW futures contract is either the first 7 days or the second 7 days of a 14-day Maintenance Period that begins on a Thursday and ends on the second Wednesday thereafter. The final settlement date is the Thursday immediately following the last day of the contract measurement period. The last day of trading for an AMW futures contract is the CFE business day that precedes the final settlement date.

Ticker Symbols

AMB3

The table below details the ticker symbol conventions that will be used for AMB3 futures.

Symbol	Descriptions
AMB3/U9	Contract Measurement Period ending in December 2019
AMB3/Z9	Contract Measurement Period ending in March 2020
AMB3/H0	Contract Measurement Period ending in June 2020
AMB3/M0	Contract Measurement Period ending in September 2020

AMW

The table below details the ticker symbol conventions that will be used for AMW futures.

Symbol	Descriptions
AMW1	Last Day of Contract Measurement Period in Week 1 of Month
AMW2	Last Day of Contract Measurement Period in Week 2 of Month
AMW3	Last Day of Contract Measurement Period in Week 3 of Month
AMW4	Last Day of Contract Measurement Period in Week 4 of Month
AMW5	Last Day of Contract Measurement Period in Week 5 of Month

Trading Hours

Trading hours for AMB3 and AMW futures are detailed in the table below.

Type of Trading Hours	
Extended	Monday – Friday 5:00 p.m. CT (previous day) to 8:30 a.m. CT
Regular	Monday – Friday 8:30 a.m. CT to 3:15 p.m. CT
Extended	Monday – Friday 3:30 p.m. CT to 4:00 p.m. CT

Pricing Conventions

An AMB3 futures contract price is expressed as 10,000.00 minus the product of compounded daily annualized AMERIBOR interest during the contract measurement quarter multiplied by 100. For example, a contract price of 9775.75 points represents compounded daily annualized AMERIBOR interest of 2.2425% (equivalent to 224.25 basis points).

An AMW futures contract price is expressed as 10,000.00 minus the product of average daily annualized AMERIBOR interest during the 7-day contract measurement period multiplied by 100. For example, a contract price of 9775.75 points represents average daily annualized AMERIBOR interest of 2.2425% (equivalent to 224.25 basis points).

Minimum Increments

The minimum increment tick size for single leg AMB3 and AMW futures transactions and for the net prices of spread transactions in AMB3 and AMW futures is 0.25 basis points. The individual legs of spreads in AMB3 and AMW futures may be in increments of 0.01 basis points.

Order Types

Valid Time in Force values for AMB3 and AMW futures include Day, IOC, FOK, GTC, and GTD.

Trade at Settlement (“TAS”) transactions are not permitted in AMB3 and AMW futures. Market Orders for AMB3 and AMW futures contracts will not be accepted. Any Market Orders for AMB3 and AMW futures contracts received by the Exchange will be automatically rejected or canceled back to the sender. Stop Limit Orders are permitted during regular and extended trading hours for AMB3 and AMW futures.

Block Trades

Block Trades are permitted in AMB3 and AMW futures.

The minimum Block Trade quantity is 1,000 contracts for AMB3 futures and is 500 contracts for AMW futures if there is only one leg involved in the trade. If a Block Trade is executed as a transaction with legs in multiple contract expirations, each leg must meet the minimum Block Trade quantity.

Settlement

The contract multiplier for an AMB3 futures contract is \$25 multiplied by the contract price. The cash settlement amount of an AMB3 futures contract on its final settlement date is the final mark to market amount against the final settlement value multiplied by \$25.

The formula for the calculation of the final settlement value of an AMB3 future is included in the product specifications for AMB3 futures. The formula includes a determination of the compounded daily annualized AMERIBOR interest during the contract measurement quarter based on the daily annualized AMERIBOR interest values during that time period. For any weekend day or normally scheduled AFX holiday, the applicable value shall be the daily annualized AMERIBOR interest calculated for the immediately preceding AFX business day.

The contract multiplier for an AMW futures contract is \$35 multiplied by the contract price. The cash settlement amount of an AMW futures contract on its final settlement date is the final mark to market amount against the final settlement value multiplied by \$35.

The final settlement value of an expiring AMW future is determined through the following calculation: (100.0000 minus the arithmetic average of daily annualized AMERIBOR interest values during the contract measurement period rounded to four decimal places) multiplied by 100. For any weekend day or normally scheduled AFX holiday, the applicable value shall be the daily annualized AMERIBOR interest calculated for the immediately preceding AFX business day.

Product Specifications and Product Level System Parameters

More detailed product specifications and the product specification rules for AMB3 and AMW futures are included in CFE's [product certification](#). Upon activation, [current Product Level System Parameters](#) are available on <http://markets.cboe.com>.

New Contract Details

CFE plans to list the following AMB3 and AMW future expirations on business date August 16, 2019. Please note the associated month/year or futures symbol, listing date, last trading day, and final settlement date for each contract. Trading in each contract on its last trading day ends at the close of regular trading hours for the contract.

AMW

Product	Month/Year or Futures Symbol	Listing Date	Last Trading Day	Final Settlement Date
Cboe 7-Day AMERIBOR Futures (AMW)	AMW3/Q9	AUG 16 19	AUG 21 19	AUG 22 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW4/Q9	AUG 16 19	AUG 28 19	AUG 29 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW1/U9	AUG 16 19	SEP 4 19	SEP 5 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW2/U9	AUG 16 19	SEP 11 19	SEP 12 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW3/U9	AUG 16 19	SEP 18 19	SEP 19 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW4/U9	AUG 16 19	SEP 25 19	SEP 26 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW1/V9	AUG 16 19	OCT 2 19	OCT 3 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW2/V9	AUG 16 19	OCT 9 19	OCT 10 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW3/V9	AUG 16 19	OCT 16 19	OCT 17 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW4/V9	AUG 16 19	OCT 23 19	OCT 24 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW5/V9	AUG 16 19	OCT 30 19	OCT 31 19
Cboe 7-Day AMERIBOR Futures (AMW)	AMW1/X9	AUG 16 19	NOV 6 19	NOV 7 19

AMB3

Product	Month/Year or Futures Symbol	Listing Date	Last Trading Day	Final Settlement Date
Cboe 3-Month AMERIBOR Futures (AMB3)	AMB3/M9	AUG 16 19	SEP 17 19	SEP 18 19
Cboe 3-Month AMERIBOR Futures (AMB3)	AMB3/U9	AUG 16 19	DEC 17 19	DEC 18 19
Cboe 3-Month AMERIBOR Futures (AMB3)	AMB3/Z9	AUG 16 19	MAR 17 20	MAR 18 20
Cboe 3-Month AMERIBOR Futures (AMB3)	AMB3/H0	AUG 16 19	JUN 16 20	JUN 17 20

Rates and Market Data

Daily annualized AMERIBOR interest refers to the AMERIBOR overnight unsecured interest rate which is calculated and reported by American Financial Exchange, LLC (“AFX”) following the end of each AFX business day. The AMERIBOR overnight unsecured interest rate is the volume-weighted average annualized interest rate of loan transactions that qualify for inclusion in the calculation under the AFX Rulebook and that are executed on AFX during that business day in the AMERIBOR overnight unsecured loan market.

AFX disseminates AMERIBOR rates on a daily basis through the AMERIBOR website at www.ameribor.net. These rates are also disseminated through the Cboe Streaming Market Index (“CSMI”) data feed service.

The following rates will also be available on CSMI:

- The current accumulated value of the Three-Month AMERIBOR Benchmark for the AMB3 future closest to expiration.
- The current accumulated value of the 7-Day AMERIBOR Benchmark for the AMW future closest to expiration.

Market participants may subscribe to receive these rates through CSMI by contacting the Cboe Operations Support Center at indexsupport@cboe.com.

Fee Schedule Update

CFE plans to implement the following transaction fees for AMB3 and AMW futures:

<u>Transaction Fees in AMERIBOR Futures</u>	<u>Per Contract Side</u>
A. CFE TPH Permit Holder	\$1.40
B. Customer	\$1.40
C. Block Trades	\$1.35

(Fee is in addition to other applicable transaction fees)

Fee Codes

Fee Code	Product	Description
3C	AMB3	Cboe Three-Month AMERIBOR Futures - Customer
3P	AMB3	Cboe Three-Month AMERIBOR Futures - TPH
MC	AMW	Cboe 7-Day AMERIBOR Futures - Customer
MP	AMW	Cboe 7-Day AMERIBOR Futures - TPH

Margin Requirements for AMERIBOR Futures

Cboe Three-Month AMERIBOR Futures (AMB3 futures):

	Outright	Spread (intra-commodity, all contract pairings)
Speculative Customer Initial	\$168	\$168
Customer Maintenance	\$153	\$153

Cboe 7-Day AMERIBOR Futures (AMW futures):

	Outright	Spread (intra-commodity, all contract pairings)
Speculative Customer Initial	\$235	\$235
Customer Maintenance	\$214	\$214

The customer maintenance margin requirement is both the initial and maintenance margin requirement for hedgers and CFE Trading Privilege Holders (“TPHs”).

The Options Clearing Corporation (“OCC”) has updated CFE’s SPAN® file to accommodate SPAN margining of AMERIBOR futures.

These requirements are minimums. Brokerage firms may impose higher margin requirements and/or impose other conditions.

As with other CFE futures contracts, the margin rates for AMERIBOR futures are subject to change by OCC at any time.

Margin requirements for AMERIBOR futures contracts can be found in the CFE margin table located on the CFE website at http://markets.cboe.com/us/futures/notices/margin_updates/.

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Lead Market Maker Program

Effective August 16, 2019, CFE plans to implement a Lead Market Maker (“LMM”) Program for AMERIBOR futures, subject to regulatory review. CFE TPH organizations and prospective CFE TPH organizations will be able to apply for appointment as an LMM in the Program. Applications should be in the form of a letter that includes a firm’s qualifications, proposed commitments, and other information the firm deems

relevant. CFE will review all applications received and determine which firms to appoint to the LMM Program.

Further information regarding the Program and application submission deadlines will be announced in a future notice.

CFE Clearing and TPH Risk Control Parameters

TPHs interested in trading AMB3 and AMW futures must contact their clearing firm to assure that Clearing Firm Risk Controls are set prior to participating in AMB3 and AMW future trading. Optional TPH Risk Controls are also available through the CFE Customer Web Portal.

AMB3 and AMW Product Testing Opportunities

AMB3 and AMW futures are currently available for testing in the CFE certification environment. We strongly encourage all futures trading participants to test in our CFE certification environment prior to trading in the CFE production environment.

Additional Information

For more information, refer to the following online resources. These items will be updated upon the launch of AMERIBOR futures.

- [CFE-2019-011](#)
- [Cboe AMERIBOR Futures Web Page](#)
- [CFE Fee Schedule](#)
- [Product Level System Parameters](#)

Please contact the CFE Trade Desk for support or with any further questions.

We appreciate your business and remain committed to powering your potential with Cboe products, technologies and solutions.

CFE Trade Desk

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