

NOTICE

Summary of content

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Stock Index Price Limits – FAQ**1. How are the stock index price limits calculated?**

Stock index price limits are established quarterly for each stock index futures contract. The percentages of 10% (Level 1 Limit), 20% (Level 2 Limit) and 30% (Level 3 Limit) are based on the average closing price of the lead month futures contract during the month prior to the end of each quarter (December, March, June and September). The average closing price of the lead month futures contract determines the level for the next quarter.

For example, for the Russell 2000 Mini Index futures contract, the 10% or Level 1 Limit is computed as 10% of the average Russell 2000 Mini Index lead month futures contract closing price rounded down to a multiple of 10 index points. The 20% limit is twice the 10%, and the 30% limit is three times the 10% limit. For each other Russell Index futures contract, the Limit levels are calculated in this same manner based closing prices for that product. Current Limit Levels for each stock index contract are shown at the end of this document.

2. How does the 10% or Level 1 Limit work?

The 10% or Level 1 Limit is initiated if the lead month futures contract is limit offered, i.e., the number of Level 1 points for the quarter subtracted from the previous day's Settlement Price. Once this has occurred, trading on the futures contract will cease for a period of a few minutes in order to give market participants time to enter orders and prepare for an orderly resumption of trading. The Exchange will announce to the market the time at which the resumption will occur. When the market resumes after this halt, the 20% or Level 2 Limit will go into effect.

After 2:30 p.m. New York time, the 10% or Level 1 Limit is removed and the 20% or Level 2 Limit becomes the effective limit. (At this time, a trading halt is required to effect an expansion from the Level 1 to Level 2 Limit, so the procedures outlined in the paragraph above will be followed at all times during the trading day. Future enhancements to the trading platform will eliminate the need for a halt in this instance, and when completed will allow for an automatic daily expansion from Level 1 to Level 2 with no halt required.)

3. How does the 20% or Level 2 Limit work?

The 20% or Level 2 Limit is very similar to the 10% or Level 1 limit. It is initiated once the lead month futures contract is limit offered, i.e., the number of Level 2 points for the quarter subtracted from the previous day's Settlement Price. Once this has occurred, trading on the futures contract will cease for a period of a few minutes in order to give market participants time to enter orders and prepare for an orderly resumption of trading. The Exchange will announce to the market the time at which the resumption will occur. When the market resumes after this halt, the 30% or Level 3 Limit will go into effect.

4. What is the maximum daily limit?

The maximum daily limit is 30% or Level 3, i.e., the number of Level 3 points for the quarter subtracted from the previous day's Settlement Price. Trading can occur at or above this limit and cannot trade below it.

5. Does the daily price limit for stock index futures affect trading of options on these contracts?

Yes. Whenever a Level 1 or Level 2 trading halt is declared for a futures contract, trading of options on that future will also halt and will only resume when trading in the futures contract resumes. However, there is one exception. On an option's last trading day, there is no maximum daily price limit for the option and the option will continue to trade.

6. Are the ICE Futures U.S. stock index price limits coordinated with the primary securities market?

Yes. ICE Futures U.S. stock index price limits are coordinated with the price limit policies in the primary securities markets. NYSE Rule 80B provides for price limits based upon a 10%, 20% and 30% decline in the Dow Jones Industrial Average (DJIA). NYSE Rule 80B provides that, if the DJIA declines by 10% prior to 2:00 p.m., trading will be halted for one hour. If the DJIA declines by 10% after 2:00 p.m. but before 2:30 p.m., trading will be halted for a half-hour. After 2:30 p.m., the 10% limit becomes inapplicable and the 20% limit becomes effective. Further, if the DJIA declines by 20% prior to 1:00 p.m., trading is halted for two hours. If the DJIA declines by 20% after 1:00 p.m. but prior to 2:00

p.m., trading will be halted for one hour. If the DJIA declines by 20% after 2:00 p.m., the market is closed for the remainder of the trading day. Finally, there is an absolute limit of 30%. If the DJIA declines by 30%, the market is closed for the remainder of the trading day. Activity on the NASDAQ and the AMEX exchanges are coordinated with NYSE Rule 80B.

7. What happens to stock index futures and options trading when the primary securities market declares a trading halt?

Whenever the NYSE declares a trading halt, ICE Futures U.S. will halt trading in its stock index futures and options trading. ICE Futures U.S. will only resume trading when trading resumes on the NYSE.

8. Are the stock index price limits in effect for both up and down markets?

No. Price limits are in effect for down markets only.

9. Do these daily price limits apply to both electronic and floor trading of these products?

Yes, the limits apply to stock index products regardless of whether they are listed for trading on the platform or the floor.

10. Are trading halts and ensuing expansion of limits handled separately for each product or will a trading halt and subsequent expansion of limits apply to all products?

For all listed stock index products, the Exchange will base the determination to halt trading and to move expanded limits (from the Level 1 to the Level 2 limit, or from the Level 2 to the Level 3 Limit) on price movement in the Russell 2000 mini futures contract.

For example, should the Russell 2000 Mini futures contract decline by the amount of the Level 1 Limit then in effect for that contract, trading will be halted in all stock index products (even if other such products have not declined to their own Level 1 Limit at that time) and when electronic trading resumes for all products, the respective Level 2 Limit level will be in effect for each product.

Despite the use of the Russell 2000 Index Mini futures contract in determining when to trigger a trading halt and

expansion of limits, each stock index contract remains subject to the relevant price limit for that contract. That is, if Level 1 Limits are in place, no trade can occur in the Russell 1000 Mini Index futures contract at a price that is below the prior day Settlement Price for that contract by more than the Level 1 limit for that contract.

**Stock Index Futures Contract Daily Price Limits
For Fourth Quarter 2008**

Contract	10% Limit	20% Limit	30% Limit
Russell 1000(full and mini)	60	120	180
Russell 2000(full and mini)	70	140	210
Russell 1000 Growth	50	100	150
Russell 1000 Value	60	120	180
Russell 2000 Growth	30	60	90
Russell 2000 Value	100	200	300
Russell 3000	70	140	210
NYSE Composite	790	1580	2370