

# ICE Futures U.S.<sup>®</sup>, Inc.

## COTTON NO. 2<sup>®</sup> RULES

### Daily Trading Price Limits

#### Rule 10.09. Price Limits

##### (a) Futures

(i) There shall be no price limits in the current futures month on or after First Notice Day.

(ii) For the purposes of this Rule, a crop year shall mean the period beginning with the October futures delivery month of any calendar year and ending with the July futures delivery month of the following calendar year.

(iii) For the purposes of this Rule, the Front Month is the first listed futures delivery month that has not reached its First Notice Day, provided, however, that the October delivery month cannot be the Front Month. Also for purposes of this Rule, the Limit Reference Month that is to be used to determine the Initial Limit Amount on any day shall be the higher-priced futures delivery month that is either: (a) the Front Month, if such futures delivery month has the highest open interest, or (b) the Front Month and the futures delivery month with the highest open interest.

(iv) Subject to subparagraph (a)(v) of this Rule concerning the expansion of the price limit, there shall be no trading in a futures delivery month at a price more than the Initial Limit Amount above or below the previous day's Settlement Price. The Initial Limit Amount in effect for all such futures delivery months on any Business Day shall be determined based upon the prior day's Settlement Price of the Limit Reference Month futures delivery month as follows:

<u>Limit Reference Month Settlement Price Level:</u>	<u>Initial Limit Amount:</u>
Up to 80.00 cents per pound	3.00 cents per pound (300 points)
80.01 up to 110.00 cents per pound	4.00 cents per pound (400 points)
110.01 up to 140.00 cents per pound	5.00 cents per pound (500 points)
140.01 up to 170.00 cents per pound	6.00 cents per pound (600 points)
170.01 cents per pound and above	7.00 cents per pound (700 points)

(v) Notwithstanding the above, the daily price limit shall be subject to expansion by an additional 1.00 cent per pound (100 points) above the Initial Limit Amount on the Business Day following any day on which two (2) or more of the first five (5) futures delivery months that are subject to daily price limits or the remaining futures delivery months in a crop year close at limit bid or limit offer based upon the Initial Limit Amount then in effect. This expansion shall not apply when the Initial Limit Amount is 7.00 cents per pound; this means that the maximum daily price limit will be 7.00 cents per pound.

**Amended by the Board June 11, 2008; effective July 11, 2008.**

**Amended by the Board January 31, 2011; effective February 7, 2011 [¶¶ (a)(iii) through (v)].**