



FEDRC Contract Terms and Conditions

Sample Question: Will there be exactly [X] rate cuts in [Year]?

Product Code: FEDRC

Instructions: The Federal Reserve Policy Statement is published by the Federal Open Market Committee. The FOMC holds eight regularly scheduled meetings each year, where among other things, the FOMC determines the federal funds target rate. A schedule of meeting dates is available [here](#), and the policy decision is released at 1:00 PM CT at the conclusion of each meeting. This contract is not subject to early resolution.

Underlying: The Fed Rate Cut Forecast Contract is resolved based upon the number of 25 basis point cuts to the federal funds target rate announced at scheduled FOMC meetings during the contract year. The Underlying can be accessed [here](#), where the Federal Reserve Policy Statement is available. The Underlying for this Contract is the cumulative number of federal funds rate cuts, measured in 25 basis point increments, announced by the Federal Reserve at scheduled FOMC meetings during the contract year. For example, a 50 basis point reduction over the course of the year would be counted as two rate cuts. If the Committee announces a 25 basis point reduction at two different meetings, this would also be recorded as two cuts. The resolution is therefore based on the number of distinct rate-cutting actions, not the total size of the decline in the target rate. This information is published in the Federal Reserve's official FOMC policy statements, available on its website here. 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: Federal Open Market Committee

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

Listing Cycle: ForecastEx will list Contract expirations at its discretion.

Thresholds: For each Contract expiration, thresholds will be listed at ForecastEx's discretion.

Position Accountability: The position accountability level is 250,000 Contracts in any one Forecast Market.

Last Trading Time: Same as Resolution Time.

Payout Criteria: The Settlement Value of each Contract is \$1.00 or \$0.00 depending on the Outcome of the Contract. If the Outcome of the Contract 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 Contract 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: 1:00 PM CT at the conclusion of the final FOMC meeting in the contract year.

Changes in Resolution Time: The Resolution Time of a Forecast Contract is dependent on the time that the Source Agency releases the Underlying data. There are circumstances in which ForecastEx will change the Resolution Time of a Contract as described below:

1. **Delay by Source Agency:** If the Source Agency delays the release of the underlying data required for Resolution, ForecastEx will delay the Resolution Time of the Contract until such data is released. In these circumstances, ForecastEx will 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 is resolved.
2. **Change in Release Schedule:** ForecastEx sets the Resolution Time of each Contract based on either the published or anticipated release schedule of the Source Agency for the underlying data. If the Source Agency amends its release schedule or announces that it will publish the underlying data at a different time than anticipated, ForecastEx may, at its sole discretion, amend the Resolution Time of the Contract to match the updated release schedule when doing so is necessary to ensure the accurate and fair resolution of the contract. In these circumstances, ForecastEx will publish a public notice to its website informing Market Participants of the revised Resolution Time.
3. **Event Review Process:** In accordance with ForecastEx Rule 415, ForecastEx may, at its sole discretion, initiate the event review process prior to Settlement which may delay the Resolution of a Contract. In these cases, ForecastEx will publish a public notice to its website informing Market Participants that the Contract's Outcome is under review.
4. **Early Resolution:** If a Forecast Contract Resolves based on whether a specific event occurs before a defined point in time, it will be subject to early resolution. For these Contracts, if the Outcome of the contract becomes determinable prior to the scheduled Resolution Time – either because the event has occurred (resolving “Yes”) or because it can no longer occur (resolving “No”) – ForecastEx may, at its sole discretion, accelerate the Resolution Time of the Contract in accordance with ForecastEx Rule 413. Whether or not this Contract is subject to early resolution is specified in the Instructions section.

Expiration Time: Same as Resolution time.

Settlement Date: Unless the Outcome of the Contract is under review in accordance with ForecastEx Rule 415, Settlement of the Contract will occur no later than the day following Expiration Time.

Trading Restrictions: In accordance with ForecastEx Rule 509(h), persons are prohibited from participating in Fed Rate Cut Forecast Contracts if they: possess any material non-public information regarding the Contract, are employees of the Source agency, or are decisionmakers, who directly or indirectly have any influence on the Outcome of the Contract.