

CME S&P Case Shiller Futures

Jan 2018 mini-Review



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Overview

Objective

- The purpose of this monthly report is to compile information from a variety of sources into one place, at a point in time, to facilitate the understanding, analysis, awareness, and hopefully trading of the CME Case Shiller Home Price futures (and options) and other housing derivative products. Feel free to contact me if you have an ideas for an outright trade, calendar spread, option or inter-city theme.

Market Color/Discussion

- Resources: www.homepricefutures.com
- Market Updates: Twitter @HomePrice Future, look for #CaseShiller for market color
- Note: many of the bid/ask quotes that are used here are my record of end-of-trading day prices (or this month Dec 27th), and thus may differ from CME closes and quotes, which are tallied an hour earlier.
- I may report (to include delayed prices) on this market in blogs, tweets and LinkedIn discussions, from time to time.
- I use CUS and HCI interchangeably for the 10-city index. Different trading platforms use different symbols. Sorry for any confusion.



Observations for Jan 2018

- **Trading/Quotes/Spreads/Activity:**
 - This will be a very short summary of Jan 2018 activity, as I had some major work conflicts, and have been prepping for my move to DC. I will try to be more thorough in the Feb recap (but I don't expect to get to that until at least March 5th when I return from a ski trip).
 - There were 9 futures contracts traded in January in 4 regions across 3 expirations. There were no options trades.
 - Activity remains slow with most activity in the SFR contracts.
 - For Jan, bids and offers generally rose across most regions and expirations (except CHI, and SDG).
 - Bid/ask spreads were about unchanged during Jan.
 - Front contract (G18) bid/ask spreads have narrowed, except in SDG/SFR.
 - OI on futures inched higher from 34 in Dec to 36 (a/o Feb 22). OI for options remains unchanged at 17.



Price Changes/ Jan 31 v Dec 27

- Bid were generally higher during the month across all regions (except CHI and SDG).
- Where there were two-sided markets, bid/ask spreads were about unchanged.
- On Jan 31, there were two-sided markets through X19 for all regions, and then X20.

	Bid Δ	Ask Δ		Change*
CUS	17.6	15.2	G18	1.4
BOS	9.4	10.4	K18	-1.6
CHI	-7.4	-7.4	Q18	3.8
DEN	16.6	7.8	X18	-3.8
LAV	18.8	15.8	G19	7.2
LAX	15.4	16.6	K19	6.8
MIA	21.6	13.0	X19	-1.4
NYM	7.8	3.2	K20	0.2
SDG	-0.8	2.6	X20	-2.4
SFR	37.2	28.6	X21	0.4
WDC	11.0	11.6	X22	0.4
	147.2	117.4		11.0

*Change -only for 2-sided mkts

2	Bid	Ask	Bid Δ	Ask Δ
HCIY	218.21			
HCIG18	218.6	219.6	0.4	0.2
HCIK18	220.4	222.6	1.0	1.2
HCIQ18	225.8	228.8	1.4	1.4
HCIX18	228.2	230.2	1.8	1.6
HCIG19	226.8	229.0	1.6	1.2
HCIK19	227.6	230.6	1.8	1.6
HCIX19	233.4	236.6	1.8	1.6
HCIK20	231.4	238.2	1.8	1.6
HCIX20	236.8	241.0	2.0	1.6
HCIX21	239.8	245.4	2.0	1.6
HCIX22	242.0	250.4	2.0	1.6

3	Bid	Ask	Bid Δ	Ask Δ
BOSY	205.25			
BOSG18	205.6	207.4	-0.4	-0.4
BOSK18	207.4	210.8	0.2	0.6
BOSQ18	214.6	218.4	1.8	1.4
BOSX18	217.2	220.6	1.8	2.2
BOSG19	216.0	218.6	2.0	0.8
BOSK19	215.2	220.4	1.2	0.6
BOSX19	222.2	227.8	2.0	2.2
BOSK20	217.4		0.4	
BOSX20	224.8	232.6	2.0	3.0
BOSX21				
BOSX22	225.8		-1.6	

4	Bid	Ask	Bid Δ	Ask Δ
CHIY	139.50			
CHIG18	138.8	140.0	-0.6	-1.0
CHIK18	138.2	141.2	-0.4	-0.6
CHIQ18	143.0	146.6	-0.6	-1.4
CHIX18	145.0	148.0	-1.2	-1.0
CHIG19	142.6	145.8	-0.8	-0.4
CHIK19	140.6	146.0	-1.0	-0.6
CHIX19	146.6	152.4	-1.0	-1.4
CHIK20	141.6		-1.0	
CHIX20	152.4	156.0	2.0	-1.0
CHIX21				
CHIX22	148.0		-2.8	



Price Changes/ Jan 31 v Dec 27

5	Bid	Ask	Bid Δ	Ask Δ
DENY	202.86			
DENG18	203.0	204.0	0.4	-0.6
DENK18	204.6	207.2	0.8	0.2
DENQ18	210.8	214.8	1.8	1.4
DENX18	213.2	216.6	1.8	2.0
DENG19	212.2	214.0	2.2	0.4
DENK19	211.6	215.4	2.2	0.0
DENX19	218.6	224.6	2.0	2.2
DENK20	215.2		4.2	
DENX20	222.8	230.4	1.6	2.2
DENX21	222.0		-0.4	
DENX22	223.2		0.0	

6	Bid	Ask	Bid Δ	Ask Δ
LAVY	169.59			
LAVG18	169.4	171.0	1.0	0.6
LAVK18	171.2	174.4	1.4	1.2
LAVQ18	175.4	180.0	2.2	2.8
LAVX18	177.6	181.0	2.2	3.0
LAVG19	177.6	180.6	2.2	1.2
LAVK19	177.4	182.4	2.4	1.2
LAVX19	181.0	187.2	2.6	2.8
LAVK20	179.2		2.8	
LAVX20	183.6	191.6	2.0	3.0
LAVX21				
LAVX22				

7	Bid	Ask	Bid Δ	Ask Δ
LAXY	270.16			
LAXG18	270.4	272.4	1.0	1.0
LAXK18	272.4	276.0	1.4	1.8
LAXQ18	277.4	282.2	2.0	2.4
LAXX18	280.2	283.6	1.8	2.6
LAXG19	279.2	282.6	1.8	1.6
LAXK19	278.4	284.4	1.6	1.6
LAXX19	284.8	291.6	2.4	2.8
LAXK20	281.2		2.4	
LAXX20	287.8	296.6	2.2	2.8
LAXX21				
LAXX22	288.2		-1.2	

8	Bid	Ask	Bid Δ	Ask Δ
MIAY	228.17			
MIAG18	228.6	230.0	0.6	0.2
MIAK18	230.4	233.0	1.0	0.6
MIAQ18	236.6	239.8	2.6	1.2
MIAX18	239.0	242.4	1.8	3.0
MIAG19	237.0	239.8	1.8	1.0
MIAK19	237.0	241.0	2.6	0.8
MIAX19	243.2	249.6	3.0	3.2
MIAK20	239.0		2.6	
MIAX20	245.2	253.6	2.8	3.0
MIAX21	246.2		2.8	
MIAX22				

9	Bid	Ask	Bid Δ	Ask Δ
NYMY	195.78			
NYMG18	195.6	197.0	-0.2	-0.8
NYMK18	197.2	200.0	0.4	0.0
NYMQ18	201.2	205.0	1.0	1.4
NYMX18	203.6	206.6	1.4	1.4
NYMG19	202.0	204.4	-0.2	-1.0
NYMK19	202.0	207.0	0.6	-0.2
NYMX19	208.0	212.8	1.4	1.4
NYMK20	204.2		0.6	
NYMX20	211.0	217.4	1.4	1.0
NYMX21	212.2		1.4	
NYMX22				

10	Bid	Ask	Bid Δ	Ask Δ
SDGY	245.82			
SDGG18	245.0	248.0	-2.6	-1.6
SDGK18	247.6	252.6	-2.2	-0.6
SDGQ18	255.2	258.6	0.4	-0.2
SDGX18	257.4	261.0	0.4	1.4
SDGG19	256.0	260.0	0.4	0.4
SDGK19	257.4	262.6	0.8	1.0
SDGX19	262.2	268.2	1.0	1.2
SDGK20	260.4		1.4	
SDGX20	266.4	274.8	-0.4	1.0
SDGX21				
SDGX22				

11	Bid	Ask	Bid Δ	Ask Δ
SFRY	251.13			
SFRG18	251.2	254.8	2.4	3.8
SFRK18	254.0	257.8	3.4	4.8
SFRQ18	259.0	262.6	4.2	2.6
SFRX18	260.0	262.2	4.0	3.2
SFRG19	260.2	263.2	3.2	2.0
SFRK19	261.0	268.0	5.6	7.0
SFRX19	264.6	270.2	4.0	2.6
SFRK20	263.0		5.0	
SFRX20	269.0	276.0	3.2	2.6
SFRX21	268.8		2.2	
SFRX22	234.8		0.0	

12	Bid	Ask	Bid Δ	Ask Δ
WDCY	221.97			
WDCG18	222.2	223.2	1.2	0.4
WDCK18	222.8	225.2	1.4	0.8
WDCQ18	228.0	231.6	1.6	1.6
WDCX18	229.8	233.0	1.8	2.0
WDCG19	228.2	231.8	2.2	2.0
WDCK19	226.8	231.6	2.8	0.8
WDCX19	232.8	239.0	0.0	2.0
WDCK20	226.8		0.0	
WDCX20	235.2	243.6	0.0	2.0
WDCX21	234.8		0.0	
WDCX22	234.8		0.0	

*- These prices are my best effort to collect end-of-day data and are not actual closing CME bids and offers.



Bid/Ask Spreads

- Tightest two bid/ask spreads (by expiration) in green/ widest two in red.
- Two-sided markets, out to Nov '19 in all regions (and then X20).
- Bid/ask spreads:
 - Width of bid/ask spreads were generally flat vs. last month.
 - Front contract bid/ask spread relatively wide with one month to run.

BID/ASK Spread												
		CUS	BOS	CHI	DEN	LAV	LAX	MIA	NYM	SDG	SFR	WDC
Feb '18	G18	1.0	1.8	1.2	1.0	1.6	2.0	1.4	1.4	3.0	3.6	1.0
May '18	K18	2.2	3.4	3.0	2.6	3.2	3.6	2.6	2.8	5.0	3.8	2.4
Aug '18	Q18	3.0	3.8	3.6	4.0	4.6	4.8	3.2	3.8	3.4	3.6	3.6
Nov '18	X18	2.0	3.4	3.0	3.4	3.4	3.4	3.4	3.0	3.6	2.2	3.2
Feb '19	G19	2.2	2.6	3.2	1.8	3.0	3.4	2.8	2.4	4.0	3.0	3.6
May '19	K19	3.0	5.2	5.4	3.8	5.0	6.0	4.0	5.0	5.2	7.0	4.8
Nov '19	X19	3.2	5.6	5.8	6.0	6.2	6.8	6.4	4.8	6.0	5.6	6.2
May '20	K20	6.8										
Nov '20	X20	4.2	7.8	3.6	7.6	8.0	8.8	8.4	6.4	8.4	7.0	8.4
Nov '21	X21	5.6										
Nov '22	X22	8.4										



Volume

- There were 9 futures and 0 options contracts traded in Jan.
- Trading has been quiet the last 4 months.

Volume -CME S&P Case Shiller: 2014-2018																				
	Futures Contracts Traded										Options Contracts Traded									
	YTD					By Month					YTD					By Month				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Jan	15	8	8	25	9	15	8	9	25	9				0	0					
Feb	36	12	12	33		21	4	8	8					18	0					18
Mar	46	24	24	46		10	12	2	13					24						6
Apr	60	38	38	51		14	14	14	5				18	24				18		
May	112	44	44	63		52	6	16	12		35		18	24		35				
June	114	46	54	76		2	2	3	13		35		18	24						
July	116	51	59	82		2	5	9	6		35		18	24						
Aug	135	56	64	100		19	5	5	18		35		18	35						10
Sept	136	59	115	122		1	3	11	22		35		18	42						7
Oct	151	68	124	131		15	9	17	9		35		18	42						
Nov	161	83	139	133		10	15	46	2		35		18	46						4
Dec	166	93	149	136		5	10	7	3		35		18	46						

red =tentative/ my tally

http://www.cmegroup.com/daily_bulletin/monthly_volume/Web_Volume_Report_CMEG.pdf

www.homepricefutures.com



Open Interest (OI) -a/o Feb 22, 2018

- OI (futures) rose from 34 on Dec 31 to 36 on Feb 22.
- Avg. time-to-expiration continued to shrink.
- There is OI in all regions (BOS) and in 6 of 11 expirations.
- OI concentration in Nov expiration fell from 74% to 69%. The Nov cycle expirations continue to have best bid/ask spreads.

Futures Open Interest -a/o 22-Feb												
Contract	BOS	CHI	DEN	HCI	LAV	LAX	MIA	NYM	SDG	SFR	WDC	Total
Feb 18		1				1	1			1	2	6
May 18	1								1	2		4
Aug 18												0
Nov 18		1	2	2	2	1		1	1	6		16
Feb 19												0
May 19				1								1
Nov 19								1		1		2
May 20												0
Nov 20		2		3						2		7
Nov 21												0
Nov 22												0
SUM	1	4	2	6	2	2	1	2	2	12	2	36

Average Expiration (yrs) 0.74
 November Expiration 69%
Open Interest

	Futures				
	2014	2015	2016	2017	2018
Jan	89	63	44	53	36
Feb	86	57	37	54	
Mar	95	64	37	66	
Apr	107	71	51	69	
May	88	57	42	48	
June	88	58	43	51	
July	89	58			
Aug	77	49	36	61	
Sept	78		42	45	
Oct	85	52	46	51	
Nov	54	35	38	34	
Dec	57	40	41	34	

	Options				
	2014	2015	2016	2017	2018
Jan				18	17
Feb				0	
Mar				6	
Apr			18	6	
May	35		18	-	
June	35		18	-	
July	35		18	-	
Aug	35		18	10	
Sept	35		18	17	
Oct	35		18	17	
Nov	-		18	17	
Dec			18	17	



Disclosures

Risk Factors/Disclosure

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- The author makes no representations as to the accuracy or completeness of any information contained in this report.
- The information gathered was at a point in time. The bids/offers described here are dated and may not exist in the current market.
- The quotes shown are for a minimum of one lot. There is no guarantee as to the depth of the market, not is there any guarantee that an on-going bid/ask spread will be made in every market.
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