

Chapter 14C

Wheat Calendar Swaps (Clearing Only)

14C00. SCOPE OF CHAPTER

This chapter is limited in application to the clearing of Wheat Calendar Swaps, where the parties to the transaction are "Eligible Swap Participants" as defined in Commodity Futures Trading Commission Regulation 35.1(b)(2). Transactions in Wheat Calendar Swaps shall also be subject to the general rules of the Exchange insofar as applicable. The clearing and settlement of transactions in Wheat Calendar Swaps shall also be subject to the provisions of Chapter 8-F of the CME Rulebook.

14C01. CONTRACT SPECIFICATIONS

14C01.A. Unit of Clearing

The unit of clearing shall be 5,000 bushels of Wheat.

14C01.B. Hours for Clearing Entry

The Exchange shall determine the hours during which Wheat Calendar Swaps may be submitted to the Clearing House.

Positions shall be initiated or closed out using off-exchange transactions.

14C01.C. Minimum Price Increments

Minimum price fluctuations shall be in multiples of one quarter of one cent (\$0.0025) per bushel which shall equal \$12.50 per contract. Contracts shall not be made on any other price basis.

14C01.D. Months Cleared

Clearing of Wheat Calendar Swaps is regularly conducted in all twelve months, but shall be permitted in the current delivery month plus any succeeding months. The number of months in which clearing may occur at one time shall be at the discretion of the Exchange. The Wheat futures contract corresponding to each Wheat Calendar Swap shall be the futures contract closest to the calendar swap expiration.

14C01.E. Position Limits

In accordance with Rule 559., Position Limits and Exemptions, no person shall own or control positions in excess of:

1. 5,000 contracts net long or net short in any single contract month.
2. 6,500 contracts net long or net short in all months combined.

Refer to Rule 559. for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

14C01.F. Last Day of Clearing

The last day of clearing of Wheat Calendar Swaps deliverable in the current delivery month shall be the final settlement day as prescribed in Rule 14C05.

14C01.G. Liquidation during the Delivery Month

After clearing of Wheat Calendar Swaps in the current delivery month has ceased, in accordance with Rule 14C01.F. of this chapter, outstanding contracts for such delivery shall be liquidated by cash settlement as prescribed in Rule 14C02.

14C02. DELIVERY

Delivery against Wheat Calendar Swaps must be made through the Clearing House. Delivery under these rules shall be on the final settlement day (as described in Rule 14C05.) and shall be accomplished by cash settlement.

Clearing members holding open positions in Wheat Calendar Swaps at the time of termination of clearing shall make payment to and receive payment through the Clearing House in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 14C03.).

14C03. FINAL SETTLEMENT PRICE AND DAILY SETTLEMENT DURING THE LAST MONTH OF TRADING

The final settlement price shall be determined on the final settlement day. The final settlement price shall be the cumulative average of the settlement prices for the corresponding CBOT Wheat futures contract for each clearing day in the month prior to the contract month. For example, final settlement for a July Wheat Calendar Swap would be the cumulative average of the daily settlement prices for the July CBOT Wheat futures contract during the month of June. Daily settlement during the last month of clearing shall be the cumulative average of the settlement prices for the corresponding CBOT Wheat futures contract for each clearing day in the month prior to the contract month. For example, the daily settlement for a July Wheat Calendar Swap on the 5th clearing day in June would be the average settlement price over the first 5 clearing days in June of the July Wheat futures contract. On the 6th clearing day, the daily settlement would be the average settlement price over the first 6 clearing days.

14C04. DAILY SETTLEMENT PRICE

Daily settlement other than settlement on the final settlement day or during the last month of clearing (as described in Rule 14C03) shall be the settlement price for the corresponding CBOT Wheat futures contract on that day.

14C05. FINAL SETTLEMENT DAY

The final settlement day shall be defined as the first business day of the month prior to the contract month.

14C06. DISPUTES

All disputes between interested parties may be settled by arbitration as provided in the Rules.