



Special Executive Report

S-5733

April 26, 2011

CME GROUP ANNOUNCES PROPOSAL TO INCREASE DAILY PRICE LIMITS IN CBOT CORN FUTURES

Pending CFTC approval, CBOT Regulation 10102.D. will be amended to increase daily price limits in CBOT Corn futures to \$0.50 per bushel. Pursuant to CBOT Regulation 10A05, the same price limits will also apply to options on Corn futures contracts.

Daily price limits in CBOT Corn futures and options contracts represent the largest price movement allowed from the previous trading day's settlement price. The current price limit is \$0.30 per bushel per day for Corn futures and option contracts, expandable to \$0.45 and then to \$0.70 when at least two contracts close at limit bid or limit offer on the previous trading day. Price limits are removed before the delivery period on first position day. Options on CBOT Corn futures follow the same daily price limits.

In recent months, Corn futures prices and volatility have increased significantly. To enhance price discovery and risk management in light of current levels of price and volatility, the Exchange is proposing to increase the daily price limits in CBOT Corn futures from \$0.30 per bushel per day to \$0.50 per bushel per day, which is expandable by 50% to \$0.75 and then another 50%, rounded to the nearest \$0.10, to \$1.10, when at least two contracts close at limit bid or limit offer on the previous trading day. Pursuant to CBOT Regulation 10A05, the same price limits will also apply to options on Corn futures contracts.

The proposed amendments are pending CFTC approval and the Exchange intends to implement these amendments shortly after CFTC approval.

If you require any additional information, please contact Randy Shao at 312-648-3795 or via e-mail at Renyuan.Shao@cmegroup.com; Fred Seamon at 312-634-1587 or via e-mail at Fred.Seamon@cmegroup.com.

The recommended rule book changes are attached with additions **bold and underlined** and deletions [~~bracketed with strikethrough~~].

Attachment

**CBOT Rulebook
Chapter 10. Corn Futures
Rule 10102. TRADING SPECIFICATIONS**

10102.D. Daily Price Limits

There shall be no trading in corn futures at a price more than [~~\$0.30~~] **\$0.50** per bushel (~~[\$1,500]~~ **\$2,500** per contract) above or below the previous day's settlement price. Should two or more corn futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer, the daily price limits for all contract months shall increase to [~~\$0.45~~] **\$0.75** per bushel the next business day. Should two or more corn futures contract months within the first five listed non-spot contracts (or the remaining contract month in a crop year) close at limit bid or limit offer while price limits are [~~\$0.45~~] **\$0.75** per bushel, daily price limits for all contract months shall increase to [~~\$0.70~~] **\$1.10** per bushel the next business day. If price limits are [~~\$0.70~~] **\$1.10** per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to [~~\$0.45~~] **\$0.75** per bushel the next business day. If price limits are [~~\$0.45~~] **\$0.75** per bushel and no corn futures contract month closes limit bid or limit offer, daily price limits for all contract months shall revert back to [~~\$0.30~~] **\$0.50** per bushel the next business day. There shall be no price limits on the current month contract on or after the second business day preceding the first day of the delivery month.