

TO: Clearing Member Firms; Back Office Managers

FROM: CME Clearing

ADVISORY #: 16-079 - Updated

Date: February 22, 2016

SUBJECT: Product Modification Summary for Clearing Firms, Bookkeeping Software Providers, ISVs

Effective Sunday, March 6, for trade date Monday, March 7, the Board of Trade of the City of Chicago, Inc. (CBOT or Exchange) will

- Add 0.50 (½) point strike increments for the nearest expiry month and all weeklies for the U.S. Treasury Bond Options (Clearing Code 17/Globex Code OZB; US1-US5/ZB1-ZB5), and Ultra U.S. Treasury Bond Options (Clearing Code UBE/Globex Code OUB; UL1-UL5/UB1-UB5). Strike prices will be listed ATM +/- 60 Strikes in 0.50 (½) point strike increments for the nearest Serial or Quarterly expiry and all Weeklies ONLY on CME Globex, the CBOT Trading Floor and for submission for clearing on CME ClearPort.
- Add 0.25 (¼) point strike increments for the nearest expiry month and all weeklies for the 10-Year U.S. Treasury Note Options (Clearing Code 21/Globex Code OZN; TY1-TY5/ZN1-ZN5), and Ultra 10-Year U.S. Treasury Note Options (Clearing Code TN/Globex Code OTN; TN1-TN5). Strike prices will be listed ATM +/- 100 Strikes in 0.25 (¼) point strike increments for the nearest Serial or Quarterly expiry and all Weeklies ONLY on CME Globex, the CBOT Trading Floor and for submission for clearing on CME ClearPort.
- > Standard options will only have the new strike increment once it becomes the nearest contract to expiration.

Following SPAN changes listed below will be needed to support the above strike increment changes for U.S. Treasury Bond and Ultra U.S. Treasury Bond Options

The SPAN strike DPL will change from 0 to 1 for the U.S. Treasury bond
Options, U.S. Treasury Bond Weekly Options, Ultra U.S. Treasury Bond
Options and Ultra U.S. Treasury Bond Weekly Options only. (See below Table
1.0 for DPL and Strike Price Examples).

- The Strike Price DPL on P-Record at position 37-39 will change from 000 to 001
- Please note that 10-Year U.S. Treasury Options and Ultra 10-Year
   U.S.Treasury Options is not affected and will remain same as current DPL of 1. (See below Table 1.1 for Strike Price examples)

Table 1.0 (Examples of New and Existing Strikes on SPAN and Settle deck file)

U.S. Treasury Bond Standard and weekly Options, Ultra U.S. Treasury Bond Standard and Weekly Options					
Current SPANP Strike with 0 DPL	Beginning March 7th – SPANP Strike with 1 DPL	Actual Strike	New/Existing Strike		
0000160	0001600	160.0	Existing Strike		
	0001605	160.5	New ½ Point Strike		
0000161	0001610	161.0	Existing Strike		
	0001615	161.5	New ½ Point Strike		
0000162	0001620	162.0	Existing Strike		
	0001625	162.5	New ½ Point Strike		

Table 1.1 (Examples of New and Existing Strikes on SPAN and Settle deck file)

10-Year U.S. Treasury Note Standard and weekly Options, Ultra 10-Year U.S. Treasury Note Standard and Weekly Options (No DPL Changes, just new ¼ Strike Increments will be added). The last digit will have 0, 2, 5 or 7 as compared to current 0 or 5)				
SPANP Strikes with 1 DPL	Actual Strike	New/Existing Strike		
000130 <mark>0</mark>	130.00	Existing Strike		
000130 <mark>2</mark>	130.25	New ¼ Point Strike		
000130 <mark>5</mark>	130.50	Existing Strike		
000130 <mark>7</mark>	130.75	New ¼ Point Strike		
000131 <mark>0</mark>	130.00	Existing Strike		
000131 <mark>2</mark>	131.25	New ¼ Point Strike		

Note: The 10-Yr U.S. Treasury Note Options strikes will look similar to current 5-Yr U.S. Treasury Note Options strikes (Same DPL Setup)

Information Contacts				
General Information	Products & Services	(312) 930-1000		
	Clearing House	(312) 207-2525		
Globex Information	Global Command Center	(800) 438-8616		
Performance Bond Information	Risk Management Dept.	(312) 648-3888		

Regards, CME Clearing