



Special Executive Report

DATE: December 17, 2019

SER#: 8502

SUBJECT: Initial Listing of Block Cheese Futures and Options on Block Cheese Futures Contracts

Effective Sunday, January 12, 2020 for trade date Monday, January 13, 2020, and pending all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will list Block Cheese Futures and Options on Block Cheese Futures contracts (the “Contracts”) for trading and clearing.

Specifically, Block Cheese Futures will be listed for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort. Options on Block Cheese Futures will be listed for trading on CME Globex and the CME trading floor, and for submission for clearing via CME ClearPort.

Contract Specifications:

	<u>Block Cheese Futures</u>	<u>Options on Block Cheese Futures</u>
Commodity Code	BLK	BLK
CME Rulebook Chapter	61	61A
Listing Schedule	24 consecutive months	
Initial Listing Months	February 2020 - January 2022	
Minimum Price Increments	\$0.001 per pound (\$20/contract)	\$0.001 per pound (\$20/contract) - Full Tick
		\$0.0005 per pound (\$10/contract) - Half Tick
Option Type		American Style
Strike Price Listing Procedures		Strikes listed for 35% of the underlying settlement price above and below the at-the-money strike at \$0.025 per pound increments in all months

Exercise Procedure		Any business day that the option is traded until 7:00pm CT
Termination Of Trading	Trading shall terminate on the business day immediately preceding the release date for the USDA monthly weighted average price in the U.S. for 40-pound block cheddar cheese. LTD close is at 12:10 p.m. Central Time.	
Delivery	Delivery is by cash settlement by reference to the USDA monthly weighted average price in the U.S. for 40-pound block cheddar cheese	
Single Month Position Limits	1,000 contracts	1,000 contracts
Reportable Level	25 contracts	25 contracts
Block Trade Minimum	5 contracts	5 contracts
Block Trade Reporting Window	5 minutes	15 minutes
CME Globex Matching Algorithm	F: First In, First Out (FIFO)	

Trading and Clearing Hours:

CME Globex, Trading Floor, and CME ClearPort	<p>Futures and Options on CME Globex: Sundays at 5:00 p.m. through Friday at 1:55 p.m. with daily trading halts from 4:00 p.m. to 5:00 p.m. Chicago Time/CT</p> <p>Futures and Options via CME ClearPort: Sunday – Friday 5:00 p.m. – 4:00 p.m. CT with a 60-minute break each day beginning at 4:00 p.m. CT</p> <p>Trading Floor (Options only): Mon-Fri: 9:05 a.m. – 1:12 p.m. CT (LTD 12:10 p.m. CT)</p>
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Exchange Fees:

Membership Type	Venue/Transaction Type	Fee
Individual Members Clearing Members Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Members & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	Open Outcry	\$0.15
	CME Globex	\$0.51
	EFP	\$1.90
	EFR	\$1.90
	Block	\$1.90

	Delivery	\$0.15
	Exe Asn Future From	\$0.20
Rule 106.D Lessees Rule 106.F Employees	Open Outcry	\$0.31
	CME Globex	\$0.67
	EFP	\$2.06
	EFR	\$2.06
	Block	\$2.06
	Delivery	\$0.31
	Exe Asn Future From	\$0.36
	Rule 106.R Electronic Corporate Members (For other than CME Globex - Non-Member rates apply)	CME Globex
Rule 106.H and 106.N Firms	Open Outcry	\$0.49
	CME Globex	\$0.81
	EFP	\$2.24
	EFR	\$2.24
	Block	\$2.24
	Delivery	\$0.49
	Exe Asn Future From	\$0.54
International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants (Open Outcry at same rate as Globex for Interest Rate products only)	CME Globex	\$0.81
Central Bank Incentive Program (CBIP), Emerging Markets Bank Incentive Program (EMBIP), Latin American Fund Manager Incentive Program (FMIP), Participants (For other than CME Globex - Non-Member rates apply)	CME Globex	\$2.03
CBOE Members (For S&P products only; for all other products - Non-Member rates apply)	Open Outcry	\$0.69
	CME Globex	\$2.03
	EFP	\$2.44
	EFR	\$3.03

	Block	\$3.03
	Delivery	\$0.69
	Exe Asn Future From	\$0.74
CTA/Hedge Fund Incentive Program Participants (For other than FX CME Globex - Non-Member rates apply)	CME Globex	\$2.03
Members Trading Outside of Division (For other than CME Globex During ETH - Non-Member rates apply)	CME Globex During ETH Only	\$1.05
Non-Members	Open Outcry	\$0.69
	CME Globex	\$2.03
	EFP	\$2.44
	EFR	\$3.03
	Block	\$3.03
	Delivery	\$0.69
	Exe Asn Future From	\$0.74

Processing Fees	Fee
106.D Lessee/106.H Brokerage	\$0.13
106.F Employee Brokerage	\$0.13
Floor / "New" Brokerage	\$0.04
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

Should you have any questions regarding this Special Executive Report, please contact either: Jim Sullivan, Manager, Commodity Research and Product Development, 312-930-2308, Jim.Sullivan@cmegroup.com, or Joanna Litchfield, Manager, Agricultural Products, 312-338-2653, Joanna.Litchfield@cmegroup.com.

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