



## Special Executive Report

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**DATE:** June 25, 2020

**SER#:** 8601

**SUBJECT: Amendments to the Minimum Block Threshold Levels Requirements of all CME Dairy Inter- and Intra-Commodity Futures Spreads and Options Spreads and Certain CBOT Grain Inter-Commodity Spreads**

Effective Sunday, July 12, 2020 for trade date Monday, July 13, 2020, and pending all relevant regulatory CFTC review periods, Chicago Mercantile Exchange Inc. ("CME") and The Board of Trade of the City of Chicago, Inc. ("CBOT") (collectively, the "Exchanges") will revise standards for meeting the block trade minimum threshold in all intra- and inter-commodity futures spreads, futures combinations, options spreads, and options combinations in CME Dairy products and select CBOT grain inter-commodity futures spreads and options spreads in the tables below (the "Rule Amendments").

With regard to CME Dairy futures and options products, market participants have expressed difficulty in executing both intra- and inter-commodity futures spreads and options spreads under existing requirements that each leg meet the block trade minimum threshold for the underlying products. In order to address the feedback, CME will permit all Dairy spreads to be executed as block trades provided that the sum of the legs of the spread meet the block trade minimum threshold for the product (for intra-commodity spreads) or the sum of the legs of the spread meet the block trade minimum threshold for the product with the higher block trade minimum threshold (for inter-commodity spreads).

Contract Titles	CME ClearPort Code	CME Rulebook Chapter
Block Cheese Futures	BLK	61
Options on Block Cheese Futures		61A
Cash-Settled Butter Futures	CB	56
Options on Cash-Settled Butter Futures		56A
Cash-Settled Cheese Futures	CSC	60
Options on Cash-Settled Cheese Futures		60A
Class III Milk Futures	DA	52
Options on Class III Milk Futures		52A
Class IV Milk Futures	DK	55
Options on Class IV Milk Futures		55A
Dry Whey Futures	DY	57
Options on Dry Whey Futures		57A
Nonfat Dry Milk Futures	NF	54
Options on Nonfat Dry Milk Futures		54A

With regard to inter-commodity futures spreads and options spreads between certain financially settled and physically-delivered CBOT grain products, clients have experienced difficulty executing such spreads as block trades due to the disparity in contract sizes and block trade minimum thresholds across the products. Accordingly, with respect to the following inter-commodity futures spreads and options spreads, block trades may be executed provided each leg of the spread meets the minimum quantity (or any multiple thereof) as

shown in the table below:

CBOT Leg 1 (CME ClearPort Code)	Minimum Quantity	CBOT Leg 2 (CME ClearPort Code)	Minimum Quantity
Black Sea Wheat Financially Settled (Platts) Futures (BWF)	100	KC HRW Wheat Futures (KW)	40
Black Sea Wheat Financially Settled (Platts) Futures (BWF)	100	Chicago SRW Wheat Futures (W)	40
Australian Wheat FOB (Platts) Futures (AUW)	100	KC HRW Wheat Futures (KW)	40
Australian Wheat FOB (Platts) Futures (AUW)	100	Chicago SRW Wheat Futures (W)	40
Black Sea Corn Financially Settled (Platts) Futures (BCF)	100	Corn Futures (C)	40
Black Sea Wheat Financially Settled (Platts) Options (BWO)	100	KC HRW Wheat Options (KW)	40
Black Sea Wheat Financially Settled (Platts) Options (BWO)	100	Chicago SRW Wheat Options (W)	40
Black Sea Corn Financially Settled (Platts) Options (BSO)	100	Corn Options (C)	40

Prior to July 13, 2020 block trades in the futures spreads and combinations referenced above must continue to meet the currently applicable block trade minimum threshold levels.

Section 6. “Block Trade Minimum Quantities for Outrights, Spreads and Combinations” of the Market Regulation Advisory Notice (“MRAN”) concerning Rule 526. (“Block Trades”) will also be amended based on the adoption of revised standards for meeting the block trade minimum threshold in all intra- and inter-commodity futures spreads, futures combinations, options spreads, and options combinations in CME Dairy products and select CBOT grain inter-commodity futures spreads and options spreads. The MRAN may be viewed [HERE](#).

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