



Special Executive Report

DATE: October 7, 2020

SER#: 8638RRR

SUBJECT: UPDATE: Amendments to the Exercise Price Rule of the Options on Three-Month Eurodollar and Three-Month SOFR Futures Contracts - Addition of 6.25 Basis Point Strike Price Intervals

(SER 8638RRR supersedes SER 8638RR dated September 23, 2020 to advise of a revised effective date of trade date Monday, November 23, 2020 and commencing with the January 2021 contract month.)

Effective Sunday, November 22, 2020 for trade date Monday, November 23, 2020, Chicago Mercantile Exchange Inc. ("CME" or "Exchange") will amend the Exercise Price rules of the Options on Three-Month Eurodollar Futures (Rulebook Chapter 452A) and Options on Three-Month SOFR Futures contracts (Rulebook Chapter 460A) (the "Contracts") for trading on the CME trading floor, the CME Globex trading platform ("CME Globex") and for submission of clearing via CME ClearPort (collectively, the "Rule Amendments").

Specifically, the Exchange is amending Rule 452A01.E. and Rule 460A01.E. ("Exercise Prices") of the Contracts to provide the addition of a 6.25 basis point strike price interval within the current range of 150 basis points to the four Serial and two nearest Quarterly expiries of the Contracts as noted in Exhibit 1 below. The first contract months with a 6.25 basis point interval shall be January 2021, February 2021, April 2021, May 2021 (Serial), December 2020 and March 2021 (Quarterly).

Exhibit 1 –

(additions underscored; deletions ~~struck through~~)

<i>Contract Title</i>	<i>CME Globex/Trading Floor/Clearing Code</i>	<i>Four Serials and Two Nearest Quarterlies</i>	<i>All Other Expirations</i>
<i>Options on Three-Month Eurodollar Futures</i>	GE/ED/ED	<u>6.25 Basis Points</u> 12.5 Basis Points	12.5 Basis Points 25 Basis Points
<i>Options on Three-Month SOFR Futures</i>	SR3/SR3/SR3	<u>6.25 Basis Points</u> 12.5 Basis Points	12.5 Basis Points 25 Basis Points

The Rule Amendments are provided in Appendix A below with additions underscored and deletions ~~struck through~~.

Please refer questions regarding this matter to:

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Appendix A

CME Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 452A

Options on Three-Month Eurodollar Futures

452A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, exercise prices shall be stated in terms of the IMM Index for such underlying futures contract and shall be stated in intervals whose last two digits are 00, 25, 50, or 75 ("twenty-five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75.

The Exchange shall list put and call options for trading at the exercise price that is nearest the previous day's settlement price of such underlying futures contract ("at-the-money exercise price") and at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below such at-the-money exercise price. Thereafter until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below the at-the-money exercise price for such underlying futures contract. New options may be listed for trading up to and including the termination of trading.

2. Special Listings of 12.5 Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, with the exception of certain option expiries with 6.25 Point Exercise Prices (Rule 452A01.E.3.), additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, or 87.5 ("12.5 point exercise prices") for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875.

~~Until termination of trading in such options,~~ The Exchange shall ensure that put and call options are listed for trading on each day at all such 12.5 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.

3. Special Listings of 6.25 Point Exercise Prices

From time to time as determined by the Exchange, additional exercise prices for selected expiries will be made available in intervals whose last four digits are 06.25, 12.50, 18.75, 31.25, 37.50, 43.75, 56.25, 62.50, 68.75, 81.25, 87.50, or 93.75 ("6.25 point exercise prices") for all IMM Index levels, e.g., 93.0625, 93.1250, 93.1875, 93.3125, 93.3750, 93.4375, 93.5625, 93.6250, 93.6875, 93.8125, 93.8750, 93.9375.

Until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all such 6.25 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.

Chapter 460A
Options on Three-Month SOFR Futures

460A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, exercise prices shall be stated in terms of the IMM Index for such underlying futures contract and shall be stated in intervals whose last two digits are 00, 25, 50, or 75 ("twenty-five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75.

The Exchange shall list put and call options for trading at the exercise price that is nearest the previous day's settlement price of such underlying futures contract ("at-the-money exercise price") and at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below such at-the-money exercise price. Thereafter until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below the at-the-money exercise price for such underlying futures contract. New options may be listed for trading up to and including the termination of trading.

2. Special Listings of 12.5 Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, **with the exception of certain option expiries with 6.25 Point Exercise Prices (Rule 460A01.E.3.)**, additional exercise prices shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, or 87.5 ("12.5 point exercise prices") for all IMM Index levels, e.g., 93.125, 93.375, 93.625, 93.875.

~~Until termination of trading in such options,~~ The Exchange shall ensure that put and call options are listed for trading on each day at all such 12.5 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.

3. Special Listings of 6.25 Point Exercise Prices

From time to time as determined by the Exchange, additional exercise prices for selected expiries will be made available in intervals whose last four digits are 06.25, 12.50, 18.75, 31.25, 37.50, 43.75, 56.25, 62.50, 68.75, 81.25, 87.50, or 93.75 ("6.25 point exercise prices") for all IMM Index levels, e.g., 93.0625, 93.1250, 93.1875, 93.3125, 93.3750, 93.4375, 93.5625, 93.6250, 93.6875, 93.8125, 93.8750, 93.9375.

Until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all such 6.25 point exercise prices in a range from 1.50 IMM Index points above to 1.50 IMM Index points below the at-the-money exercise price for such underlying futures contract.