



## Special Executive Report

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**DATE:** November 9, 2021

**SER#:** 8881

**SUBJECT:** Availability of an Additional Three-Month Eurodollar Futures and Three-Month SOFR Futures Intercommodity Spread (SED) on CME Globex

Effective Sunday, January 9, 2022 for trade date Monday, January 10, 2022, Chicago Mercantile Exchange Inc. ("CME"), will permit an additional intercommodity spread between the Three-Month Eurodollar Futures (Rulebook Chapter 452; CME Globex Code: GE) and Three-Month SOFR Futures (Rulebook Chapter: 460; CME Globex Code: SR3) contracts for trading on the CME Globex electronic trading platform ("CME Globex") commencing with the September 2023 contract month and beyond. The new intercommodity spread commodity CME Globex code will be SED.

The differential price increment for SED will be 0.001 index points (0.1 basis point). Buying SED will result in a buy for the SR3 and a sell for the GE future. The GE price will be assigned as the prior day's settlement price, and the SR3 price will be assigned as the GE price, plus the ISDA spread adjustment rounded to four decimal places (0.2616), plus the traded SED price. SED will not support implied functionality on CME Globex.

For example, if the traded price for SED was +0.3 basis points and the prior day GE settlement price was 98.3750, the SR3 price would be assigned as  $98.3750 + 0.2616 + 0.003 = 98.6396$ . The maximum precision of these resulting SR3 prices will be 0.0001, equivalent to \$0.25, while the differential price increment will be 0.001, equivalent to \$2.50

Note: Similar to other intercommodity spread transactions, each leg of SED will settle to the price of the individual future, which will remain at standard price increments for each instrument. As such, the spread itself will not trigger its own settlement price. Exchange transaction fees shall only apply to the SR3 leg,

Availability of the standard and existing SR3-GE implied intercommodity spread shall continue and remain unchanged.

Inquiries regarding the aforementioned may be directed to:

Mark Rogerson  
Executive Director  
Business Line Management

[mark.rogerson@cmegroup.com](mailto:mark.rogerson@cmegroup.com)

+44 7590 950 256