



Special Executive Report

DATE: October 17, 2022
SER#: 9012RR
SUBJECT: Initial Listing of 30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, and 5.0% Coupon Rates)

(SER 9012RR supersedes SER 9012R dated September 15, 2022 to advise of the new effective date of trade date Monday, November 7, 2022.)

Effective Sunday, November 6, 2022 for trade date Monday, November 7, 2022, and pending all relevant Commodity Futures Trading Commission (“CFTC”) regulatory review periods, The Board of Trade of the City of Chicago, Inc. (“CBOT” or “Exchange”) will list the 30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, and 5.0% Coupon Rates) (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission of clearing via CME ClearPort as more specifically described below.

Contract Title	CME Globex and CME ClearPort Code	Rulebook Chapter
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 2.0% Coupon	20U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 2.5% Coupon	25U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 3.0% Coupon	30U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 3.5% Coupon	35U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 4.0% Coupon	40U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures - 4.5% Coupon	45U	75
30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures – 5.0% Coupon	50U	75

Exhibit 1 provides specifications of the Contracts. Exhibit 2 provides the applicable Exchange fees.

Please send any risk specific feedback in regard to these products to NewProductMRM@cmegroup.com.

Please refer questions on this subject to:

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Exhibit 1 – Contract Specifications

30-Year Uniform Mortgage-Backed Security (UMBS) To-Be-Announced (TBA) Futures Contracts (2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, and 5.0% Coupon Rates)

Commodity Code	20U, 25U, 30U, 35U, 40U, 45U, 50U
Trading and Clearing Hours	CME Globex: 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 CME Globex Preopen: Sunday 4:00 p.m. - 5:00 p.m. CT, Monday - Thursday 4:45 p.m. - 5:00 p.m. CT CME ClearPort: Sunday 5:00 p.m. - Friday 5:45 p.m. CT with no reporting Monday - Thursday from 5:45 p.m. – 6:00 p.m. CT
Settlement Method	Physical
Contract Size	100,000
Product Unit of Measure	Index Points
Currency	USD
Price Quotation	Points and fractions of points with par on the basis of 100 points
Minimum Price Fluctuation	$\frac{1}{4}$ of $\frac{1}{32}^{\text{nd}}$ of 1 point (0.0078125) = \$7.8125 $\frac{1}{8}^{\text{th}}$ of $\frac{1}{32}^{\text{nd}}$ of 1 point for intra-market calendar spreads (0.00390625) = \$3.90625 per calendar spread, with block trades eligible for $\frac{1}{16}^{\text{th}}$ of $\frac{1}{32}^{\text{nd}}$ of one point (0.001953125) = \$1.953125
Minimum Daily Settlement Increment and Final Settlement Increment	$\frac{1}{4}$ of $\frac{1}{32}$ of 1 point (0.0078125)
Listing Schedule	Nearest three (3) consecutive calendar months
Initial Listing Schedule	December 2022, January 2023, February 2023
Termination of Trading	For a given delivery month, three (3) Exchange Business Days before SIFMA TBA Notification Day. Expiring contract ceases trading at 2:00 p.m. CT
Deliverable Grade Issuers	Fannie Mae and Freddie Mac
Deliverable Mortgage Term	30-Year
Deliverable Grade Coupons	For a given Delivery Month, futures are listed by the Exchange for delivery of specified active (current-production) mortgage coupon rates (eg, 2.0%, 2.5%, 3.0%, 3.5%, 4.0%, 4.5%, 5.0%). Each Coupon Rate will be listed as separate product with a unique product code.
Deliverable Grade and Size	\$100K face value of MBSD-cleared 30-year UMBS TBA at a given coupon rate. Deliveries must be made in 10 contract increments with combined deliveries of \$1 mln face value of MBSD-cleared 30-year UMBS TBA at a given coupon rate. Non-deliverable positions of less than 10 contracts will be cash-settled at expiration.
Qualification for Physical Delivery	Deliverable in increments of 10 contracts increments
Delivery Day	Exchange Business Day immediately following Last Trading Day
Block Trade Minimum Threshold	RTH-100; ETH-50; ATH-25
Reporting Window	RTH/ETH/ATH - 15 minutes
CME Globex Matching Algorithm	F-FIFO 100%

Exhibit 2 – Exchange Fees

Level	Account Owner	Execution Type	Venue/ Transaction Type	TBA Futures
Individual Member				
1	Individual Members	Member Account Owner	CME Globex	\$0.16
			EFP EFR Block	\$0.45
	Individual Delegates	Delegate Trading Own Account	CME Globex	\$0.17
			EFP EFR Block	\$0.46
Equity Members (Individual Equity members, Clearing Firms and Equity Firms)				
2	Equity Members	Member or Delegate	CME Globex	\$0.16
			EFP EFR Block	\$0.45
		Non-Member	CME Globex	\$0.25
			EFP EFR Block	\$0.45
	Rule 106.S. Family of Funds Equity Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.25
			EFP EFR Block	\$0.45

(Execution Not a Factor in Membership Types Below)

Level	Account Owner	Execution Type	Venue/ Transaction Type	TBA Futures
Trading Members (Individual Non-Equity Members and Non-Equity Member Firms)				
3	Individual Non-Equity Members (other member/delegate executing); Rule 106.H. Corporate Trading Firms; Rule 106.H. Trading FCMs; & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.31
			EFP EFR Block	\$0.50
	Individual Delegates (Other Member or Delegate executing the trade) & Rule 106.I. Affiliate Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.44
			EFP EFR Block	\$0.60
	Rule 106.S. Family of Funds Trading Member Firms	Member, Delegate or Non-Member	CME Globex	\$0.31
			EFP EFR Block	\$0.50

Level	Account Owner	Execution Type	Venue	TBA Futures
Electronic Corporate Member Firm				
4	Rule 106.R Electronic Corporate Member Firms (For other than CME Globex - Non-Member rates apply)	Member, Delegate or Non-Member	CME Globex	\$0.44
Non-Members				
5	International Incentive Program (IIP) and International Volume Incentive Program (IVIP) Participants	Member, Delegate or Non-Member	CME Globex	\$0.70
			EFP EFR Block	\$0.85
	Central Bank Incentive Program (CBIP) and Latin American Fund Manager Incentive Program (FMIP) Participants (For other than CME Globex - Non-Member rates apply)	Member, Delegate or Non-Member	CME Globex	\$0.70
			Non-Members	N/A
			CME Globex	\$0.70
			EFP EFR Block	\$0.85

Processing Fees	Fee
Exchange Fees for Non-Trades (Member/Delegate/Non-Member)	\$0.10/\$0.25/\$0.55
Exchange Fees for Non-Trades - Expired Options	\$0.10
Facilitation Fee	\$0.00
Give-Up Surcharge	\$0.06
Position Adjustment/Position Transfer	\$0.10