



Special Executive Report

DATE: October 8, 2024

SER#: 9440

SUBJECT: Addition of U.S. Dollar/Offshore Chinese Renminbi Spot FX Basis Spreads on CME FX Link

Effective Sunday, November 24, 2024 for trade date Monday, November 25, 2024, and pending all relevant Commodity Futures Trading Commission ("CFTC") regulatory review periods, Chicago Mercantile Exchange Inc. ("CME") will extend the listings of CME FX Link on the CME Globex electronic trading platform ("CME Globex") to include spot foreign exchange ("FX") basis spreads against the U.S. Dollar/Offshore Chinese Renminbi (USD/CNH) futures contract (Commodity code: CNH) with this extension.

CME FX Link will include spot FX basis spreads for the following ten (10) currency pairs on CME Globex:

- Australian Dollar/US Dollar
- Euro/US Dollar
- British Pound/US Dollar
- New Zealand Dollar/US Dollar
- U.S. Dollar/Offshore Chinese Renminbi
- US Dollar/Canadian Dollar
- US Dollar/Mexican Peso
- US Dollar/Japanese Yen
- US Dollar/Swiss Franc
- US Dollar/South African Rand

Exhibits 1 and 2 summarize, respectively, the specifications of the CME FX Link as well as the Exchange fee schedule for the FX Link. Exhibit 3 provides amendments to CME Rulebook Chapter 13 ("Spot FX Transactions") in blackline format.

For additional information about CME FX Link, please see www.cmegroup.com/fxlink.

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

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EXHIBIT 1

CME FX Link – Spot FX Basis Spreads on CME Globex

CME FX Link – Spread Functionality Specifications	
Eligible Currencies	AUD/USD, EUR/USD, GBP/USD, NZD/USD, USD/CNH, USD/CAD*, USD/CHF*, USD/JPY*, USD/MXN* and USD/ZAR* (*CCY pairs quoted inversely to futures.)
Quotation	Quoted as the difference between FX futures and equivalent OTC spot notional as represented with both legs in OTC price convention.
Spread Construction	Non-Inverted Pairs: Buyer of spread buys CME futures and sells OTC spot. Inverted Pairs: Buyer of spread sells CME FX futures and sells OTC spot.
Minimum Order Quantity	AUD/USD, EUR/USD, GBP/USD, NZD/USD, USD/CAD, USD/CHF, and USD/JPY = 5 spreads. USD/MXN, USD/ZAR = 15 spreads. USD/CNH = 5 spreads.
Trading Venue / Hours	CME Globex: Sunday – Friday, 5:00 pm - 4:00 pm Chicago Time (CT), with a 60-minute break each day beginning at 5:00 pm (4:00 pm CT).
Spread Listing Schedule	For AUD/USD, EUR/USD, GBP/USD, USD/CNH, USD/CAD, USD/JPY, USD/MXN and USD/ZAR: spreads vs. front three CME FX futures expiration months, plus the next nearest quarterly FX futures expiration month. For NZD/USD and USD/CHF, spreads vs. front two CME FX futures expiration months. New spreads added 10 business days prior to the last trade date of an expiring CME FX futures.

Currency Pair	AUD/USD	EUR/USD	GBP/USD	NZD/USD	USD/CNH	USD/CAD	USD/CHF	USD/JPY	USD/MXN	USD/ZAR
Spread Minimum Price Increment	0.00001	0.000005	0.00001	0.00001	0.0001	0.00001	0.00001	0.001	0.0005	0.0005
Spread Notional (per leg)	100,000 AUD	125,000 EUR	62,500 GBP	100,000 NZD	100,000 USD	100,000 CAD	125,000 CHF	12,500,000 JPY	500,000 MXN	500,000 ZAR

OTC FX Spot Leg Specifications			
Currency Pairing	Value Date	Minimum Price Increment *	Spot Notional Per One Spread **
AUD/USD	T+2	0.00001 (0.1 pip)	100,000 AUD
EUR/USD	T+2	0.00001 (0.1 pip)	125,000 EUR
GBP/USD	T+2	0.00001 (0.1 pip)	62,500 GBP
NZD/USD	T+2	0.00001 (0.1 pip)	100,000 NZD
USD/CNH	T+2	0.0001 (1 pip)	100,000 USD
USD/CAD	T+1	0.000001 (0.01 pip)	100,000 CAD
USD/CHF	T+2	0.000001 (0.01 pip)	125,000 CHF
USD/JPY	T+2	0.0001 (0.01 pip)	12,500,000 JPY
USD/MXN	T+2	0.00001 (0.1 pip)	500,000 MXN
USD/ZAR	T+2	0.00001 (0.1 pip)	500,000 ZAR
Settled bilaterally via physical delivery on value date.			

CME FX Futures Leg Specifications ***			
Product Code	Contract Size	Futures Quotation	Tick
6A	100,000 AUD	USD per AUD	0.00005 (5.00 USD)
6E	125,000 EUR	USD per EUR	0.00005 (6.25 USD)
6B	62,500 GBP	USD per GBP	0.0001 (6.25 USD)
6N	100,000 NZD	USD per NZD	0.00005 (5.00 USD)
CNH	100,000 USD	CNH per USD	0.0005 (50 CNH)
6C	100,000 CAD	USD per CAD	0.00005 (5.00 USD)
6S	125,000 CHF	USD per CHF	0.00005 (6.25 USD)
6J	12,500,000 JPY	USD per JPY	0.0000005 (6.25 USD)
6M	500,000 MXN	USD per MXN	0.00001 (5.00 USD)
6Z	500,000 ZAR	USD per ZAR	0.000025 (12.50 USD)
Cleared via CME Clearing.			

* The minimum price increment ("MPI") of a spot FX transaction is separate and distinct from and is not necessarily a reflection of the MPI of a spot FX basis trade, which the Exchange shall determine.

** The spot notional per one spread for the USD/CAD, USD/CHF, USD/JPY, USD/MXN and USD/ZAR currency pairings shall be defined in terms of the quote, or term, currency of each pairing rather than the base currency since the CME pricing and notional convention for related CME FX futures contracts is inverted from the over-the-counter ("OTC") convention.

*** Full product specifications for existing CME FX futures contracts are available on www.cmegroup.com/FX and in CME's Rulebook.

EXHIBIT 2

CME FX Link – Exchange Fee Schedule

Membership Type	Venue/Transaction Type	Exchange Fee
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms & Rule 106.J Qualified Subsidiaries Rule 106.I Member Firms & Rule 106.I Qualified Affiliates Rule 106.S Member Approved Funds	CME Globex – FX Link	\$0.40
Rule 106.D Lessees Rule 106.F Employees	CME Globex – FX Link	\$0.50
Rule 106.R Electronic Corporate Members	CME Globex – FX Link	\$0.55
Rule 106.H and 106.N Firms Clearing Non-Equity Member Firms	CME Globex – FX Link	\$0.55
International Incentive Program (IIP) Participants International Volume Incentive Program (IVIP) Participants	CME Globex – FX Link	\$0.60
Latin American Fund Manager Incentive Program (FMIP) Participants	CME Globex – FX Link	\$0.80
CTA/Hedge Fund Incentive Program Participants	CME Globex – FX Link	\$0.60
Members Trading Outside of Division	CME Globex – FX Link	\$0.80
Non-Members	CME Globex – FX Link	\$0.80

On a tiered basis, the Exchange fee for **FX Futures traded via CME FX Link** will be reduced for trading volumes exceeding designated monthly average daily volume thresholds.

Member Firms & Individual Members	FX Futures traded via CME FX Link	
Eligible Participants	Average Daily Volume Threshold (Sides)	Exchange Fee Discount
Individual Members Clearing Equity Member Firms Rule 106.J Equity Member Firms Rule 106.I Member Firms Rule 106.S Member Approved Funds	0 - 2,000	none
	2,001 - 5,000	\$0.10
	> 5,000	\$0.20

CME Processing Fees	Rate
Position Adjustment/Position Transfer	\$0.10
Give-Up Surcharge	\$0.05
Facilitation Fee	\$0.40

EXHIBIT 3

CME Rulebook (additions underscored)

Chapter 13 Spot FX Transactions

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Appendix Spot FX Transaction Specifications

Currency Pairing	Value Date	Minimum Price Increment *	Spot Notional Per One Futures Contract
AUD/USD	T+2	0.00001 (0.1 pip) USD/AUD	100,000 AUD
EUR/USD	T+2	0.000005 (0.05 pip) USD/EUR	125,000 EUR
GBP/USD	T+2	0.00001 (0.1 pip) USD/GBP	62,500 GBP
NZD/USD	T+2	0.00001 (0.1 pip) USD/NZD	100,000 NZD
<u>USD/CNH</u>	<u>T+2</u>	<u>0.0001 (1 pip)</u> <u>USD/CNH</u>	<u>100,000 USD</u>
USD/CAD	T+1	0.000001 (0.01 pip) USD/CAD	100,000 CAD **
USD/CHF	T+2	0.000001 (0.01 pip) USD/CHF	125,000 CHF **
USD/JPY	T+2	0.0001 (0.01 pip) USD/JPY	12,500,000 JPY **
USD/MXN	T+2	0.00001 (0.1 pip) USD/MXN	500,000 MXN **
USD/ZAR	T+2	0.00001 (0.1 pip) USD/ZAR	500,000 ZAR **

NOTES

AUD	=	Australian dollar
CAD	=	Canadian dollar
CHF	=	Swiss franc
<u>CNH</u>	=	<u>Offshore Chinese renminbi</u>
EUR	=	Euro
GBP	=	British pound
JPY	=	Japanese yen
MXN	=	Mexican peso
NZD	=	New Zealand dollar
USD	=	U.S. dollar
ZAR	=	South African rand

* The minimum price increment (MPI) of a Spot FX Transaction is separate and distinct from and is not necessarily a reflection of the MPI of a Spot FX Basis Trade, which the Exchange shall determine.

** The spot notional per one futures contract for the USD/CAD, USD/CHF, USD/JPY, USD/MXN, and USD/ZAR currency pairings shall be defined in terms of the quote, or term, currency of each pairing rather than the base currency since the CME pricing and notional convention for related FX Futures contracts is inverted from the over-the-counter (OTC) convention. For example, the spot notional per one futures contract for USD/CAD, USD/CHF, USD/JPY, USD/MXN, and USD/ZAR shall be defined in terms of the quote currency Canadian dollar, Swiss franc, Japanese yen, Mexican peso, and South African rand respectively, and not in terms of the base currency U.S. dollar.

[End of Chapter.]