



Special Executive Report

S- 7086

June 4, 2014

Amendments to Strike Price Increments and Strike Price Listing Procedures for the Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures Contract

Effective Sunday, June 22, 2014 for trade date Monday, June 23, 2014, the Chicago Mercantile Exchange Inc. (CME or Exchange) will amend the Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures contract (Rulebook chapter: 256A; Code: MP) to reduce the strike price increments and expand the strike price listing procedures beginning with the July 2014 contract month and thereafter. This contract is listed for trading on the CME trading floor, CME Globex, and for submission for clearing through CME ClearPort.

Specifically, CME will amend Rule 256A01.J. (Exercise Prices) to reduce the strike price increment from \$0.000625 to \$0.0005 per one Mexican peso which will align the strike price interval of MXN/USD options with those of the Major options.¹

In addition, CME will amend Rule 256A02. (Listing of Exercise Prices) to expand the number of listed strike prices from 24 to 30 strikes above and below the at-the-money (ATM) strike price. This amendment will maintain existing strike price coverage at 150 points above and below the ATM strike price.

CME shall continue to list strike prices in the old strike price increment in the affected contract months that have existing open interest through their last trading day and expiration.

The Commodity Futures Trading Commission (CFTC) will be notified of the aforementioned rule amendments for this product during the week of June 30, 2014, via the weekly notification procedures set forth in Part 40 of the CFTC Regulations.

Attachment 1 provides the amendments to CME Chapter 256A (Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures) in blackline format.

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¹Options on Australian Dollar futures, British Pound futures, Canadian Dollar futures, Euro futures, Japanese Yen futures, New Zealand Dollar futures, and Swiss Franc futures.

Attachment 1

(Additions are underlined; deletions are ~~struck through~~.)

Chapter 256A: Options on Mexican Peso/U.S. Dollar (MXN/USD) Futures

256A01. OPTIONS CHARACTERISTICS

256A01.J. Exercise Prices

Regular exercise prices shall be stated in terms of U.S. dollars per Mexican peso at intervals of ~~\$0.0005~~\$0.000625, e.g., ~~\$0.0835~~\$0.083750, ~~\$0.0840~~\$0.084375, ~~\$0.0845~~\$0.085000, etc.

256A02. LISTING OF EXERCISE PRICES

1. Monthly Options in the March Quarterly Cycle ("Quarterly Options")

At the commencement of trading in a contract month, the Exchange shall list put and call options at the regular exercise price that is nearest the previous day's settlement price of the underlying futures contract. For options on Mexican peso/U.S. dollar futures, the Exchange shall list put and call options at the next ~~thirty~~twenty-fourth higher and next ~~thirty~~twenty-fourth lower regular exercise prices.

When a sale, bid, offer, or settlement price in the underlying futures occurs within half a regular exercise price interval of the ~~thirty~~twenty-fourth highest or ~~thirty~~twenty-fourth lowest existing regular exercise price for options on Mexican peso/U.S. dollar futures, put and call options at the next higher or next lower regular exercise price shall be listed for trading on the next Trading Day. New options may be listed for trading up to and including the termination of trading.

The Exchange may modify the provisions governing the establishment of exercise prices as it deems appropriate.

2. Options Not in the March Quarterly Cycle ("Serial and "Weekly Options")

Upon demand, the Exchange shall list put and call options at any regular exercise price listed for trading in the next March quarterly cycle that is nearest the expiration of the option. New options may be listed for trading up to and including the termination of trading.

3. Dynamically-Listed Exercise Prices.

Upon demand and at the discretion of the Exchange, new out-of-current-range exercise prices at regularly defined intervals may be added for trading on as soon as possible basis.