

**CME Announces Reduction in Minimum Price Increments for Calendar Spreads  
and Amendment to Spread Type for Two-Year, Three-Year, and Five-Year Bundle Futures**

Effective Sunday, 30 August 2015, for first trade date Monday, 31 August 2015, and pending completion of all relevant CFTC regulatory review periods, Chicago Mercantile Exchange Inc. (“CME” or “Exchange”) will amend minimum price increments and spread types for calendar spreads in Two-Year Bundle futures, Three-Year Bundle futures, and Five-Year Bundle futures.

As summarized in Exhibit 1, the minimum price increment shall change from 0.0025 price points per calendar spread at present to 0.0005 price points per calendar spread, and the Spread Type shall change from SP (Standard Calendar Spread) to RT (Reduced Tick Spread).

*Exhibit 1 – Current and Amended Minimum Price Increments for CME Bundle Futures*

(Dollars per contract outright or per calendar spread)

<i>Bundle Futures</i>	<i>Current for Outrights and Calendar Spreads: 0.0025 IMM Index Points</i>	<i>Amended for Calendar Spreads Only as of 31 August 2015: 0.0005 IMM Index Points*</i>
Two-Year (BU2)	50	10
Three-Year (BU3)	75	15
Five-Year (BU5)	125	25

\*Minimum price increments for outright transactions shall remain at current levels as of 31 August 2015.

***Current calendar spreads in Bundle futures***

The minimum price increment for an intramarket calendar spread transaction in any Bundle futures product is currently 0.0025 IMM Index Points, equal to the minimum price increment for an outright transaction. Given the notional sizes specified for Bundle futures, dollar values of minimum price increments for the respective calendar spreads are \$50 for BU2, \$75 for BU3, and \$125 for BU5. Where the minimum price increment defines the spread between best bid and best offered resting market prices, each dollar amount signifies the minimum cost of crossing the bid-offer spread in the respective calendar spread.

***Calendar spreads in Bundle futures as of 31 August 2015***

Rule amendments scheduled to take effect on 31 August will permit calendar spreads in Bundle futures to trade in minimum price increments of 0.0005 IMM Index points. Minimum price increments for outright transactions in these products shall remain at their current setting of 0.0025 IMM Index points. As shown in Exhibit 1, the resultant dollar value per calendar spread in each Bundle futures product will be \$10 for BU2, \$15 for BU3, and \$25 for BU5.

The Appendix displays enabling amendments to CME Rulebook Chapters 454, 455, and 456.

***Please refer questions on CME Bundle futures and options to:***

Agha Mirza	agha.mirza@cmegroup.com	212 299 2833
David Reif	david.reif@cmegroup.com	312 648 3839
Frederick Sturm	frederick.sturm@cmegroup.com	312 930 1282

## Appendix -- Amendments to Minimum Price Increment Rules for CME Bundle Futures

(Additions are in **bold underlined font.**)

### Chapter 454 -- Two-Year Bundle Futures

#### **45402.C. Price Increments**

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the eight (8) ED futures comprised within the Contract Grade (Rule 45401.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$50 per contract, **except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$10.00 per intermonth spread.** Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to \$2 per contract.

### Chapter 455 -- Three-Year Bundle Futures

#### **45502.C. Price Increments**

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 12 ED futures comprised within the Contract Grade (Rule 45501.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$75 per contract, **except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$15.00 per intermonth spread.** Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to \$3 per contract.

### Chapter 456 -- Five-Year Bundle Futures

#### **45602.C. Price Increments**

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 20 CME ED futures comprised within the Contract Grade (Rule 45601.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one quarter of one hundredth (0.0025) of one IMM Index point, equal to \$125 per contract, **except for intermonth spreads for which the minimum price increment shall be one twentieth of one hundredth (0.0005) of one IMM Index point, equal to \$25.00 per intermonth spread.** Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum

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price increment shall be 0.0001 IMM Index points, equal to \$5 per contract.