



Special Executive Report

DATE: 27 August 2015

SER#: 7448

SUBJECT: AUTOMATIC ADJUSTMENT MECHANISM RATIOS IN SOYBEAN OIL

In connection with its Soybean Oil futures contract (Globex Code: ZL; Clearing Code: 07; Rulebook Chapter 12), The Board of Trade of the City of Chicago, Inc. ("CBOT" or "Exchange") publishes the most recent Automatic Adjustment Mechanism ratios, rounded to the nearest 10th, for each delivery territory in the Deliverable Commodities Under Registration report (available at <http://www.cmegroup.com/market-data/reports/registrar-reports.html>).

As of 21 August 2015, the Illinois Territory has a reported ratio of 0.5 and the Southwest Territory also has a reported ratio of 0.5. Several market participants have inquired about how close these ratios are to the 0.5 threshold for triggering changes to delivery differentials in January, 2016. As of 21 August 2015, the Illinois Territory ratio rounded to the nearest 1,000th is **0.453** and the Southwest Territory ratio rounded to the nearest 1,000th is **0.455**.

By way of reference, CBOT Rule 12106, ("Delivery Points") states, in part:

(g) For a given soybean crop year ending August 31, excluding the period September 1 through December 31, and for a given Soybean Oil futures delivery territory except the "Illinois Territory": when the weekly (as of Friday) cumulative average ratio of outstanding Soybean Oil Warehouse Receipts to CBOT maximum 24 hour soybean crushing capacity within that Soybean Oil futures delivery territory, relative to that ratio for the combined remaining Soybean Oil territories, is less than or equal to 0.5, payment for Warehouse Receipts issued from that Soybean Oil territory will be at a premium of 10 cents per hundredweight over contract price in addition to the delivery territorial differential adjustment.

(h) For a given soybean crop year ending August 31, excluding the period September 1 through December 31, when the "Illinois Territory's" weekly (as of Friday) cumulative average ratio of outstanding Soybean Oil Warehouse Receipts to maximum CBOT 24 hour soybean crushing capacity within the Illinois Soybean Oil futures delivery territory, relative to that ratio for the combined remaining Soybean Oil territories, is less than or equal to 0.5, payment for Warehouse Receipts issued from all other Soybean Oil territories will be at a discount of 10 cents per hundredweight under contract price in addition to the delivery territorial differential adjustments.

(i) Based on the adjustments made to territorial delivery differentials during a given calendar year as outlined in items (g) through (k) of Rule 12106., the CBOT shall announce and publish by September 15 of that given calendar year new territorial delivery differentials applicable to all Soybean Oil futures contracts delivered during the next calendar year.

Questions may be directed to Fred Seamon (312-634-1587 or Fred.Seamon@CMEGroup.com) or Dave Lehman (312-930-1875 or David.Lehman@CMEGroup.com).