

Special Executive Report

S-7506

November 13, 2015

Cessation of Listing Treasury Calendar Spreads with Non-Standard Ratios via CME Globex

Effective Sunday, November 15, 2015 for trade date Monday, November 16, 2015, The Board of Trade of the City of Chicago, Inc. ("CBOT") will cease listing CBOT Treasury Calendar Spreads with non-standard ratios for Short-Term U.S. Treasury Note Futures (ZTX), Medium-Term U.S. Treasury Note Futures (ZFX), Long-Term U.S. Treasury Note Futures (ZNX), U.S. Treasury Bond Futures (ZBX), and Long-Term U.S. Treasury Bond Futures (UBX).

The difference in duration of the nearby and first deferred Treasury futures contract months typically creates "tails" to manage for each quarterly rollover. In May 2015, the Exchange launched non-standard ratio CBOT Treasury Futures Calendar Spreads to provide an Exchange-defined ratio spread for market participants experiencing difficulty rolling over positions using the standard 1:1 Treasury futures calendar spreads due to differences in risk exposures of the June 2015 and September 2015 Treasury futures contracts.

In August 2015 and prior to the most recent rollover, the Exchange further responded to the needs of the marketplace and launched a more flexible solution that allows for customized user-defined tails. The User-Defined Spreads ("UDS") for CBOT Treasury Futures Calendar Spreads with Tails via CME Globex enable market participants to customize and create precise calendar spreads with tail percentages. Market activity in the UDS for Treasury Futures Calendar Spreads with Tails relative to the non-standard ratio spreads for the September 2015 to December 2015 rollover demonstrates a clear preference for the UDS futures calendar spreads for managing Treasury futures positions with Tails. Please refer to [SER-7436](#) for more details on UDS for CBOT Treasury Futures Calendar Spreads with Tails via CME Globex.

With the adoption of UDS for CBOT Treasury Futures Calendar Spreads with Tails, it is no longer necessary to support and list for trading Treasury Calendar Spreads with non-standard ratios (ZTX, ZFX, ZNX, ZBX, UBX).

Please refer questions on this subject to:

Nick Johnson
Jonathan Kronstein
Frederick Sturm

nick.johnson@cmegroup.com
jonathan.kronstein@cmegroup.com
frederick.sturm@cmegroup.com

312.338.2407
312.930.3472
312.930.1282